The China Weekly REVIEW

密勒氏評論報

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In the Fields of Finance and Reconstruction

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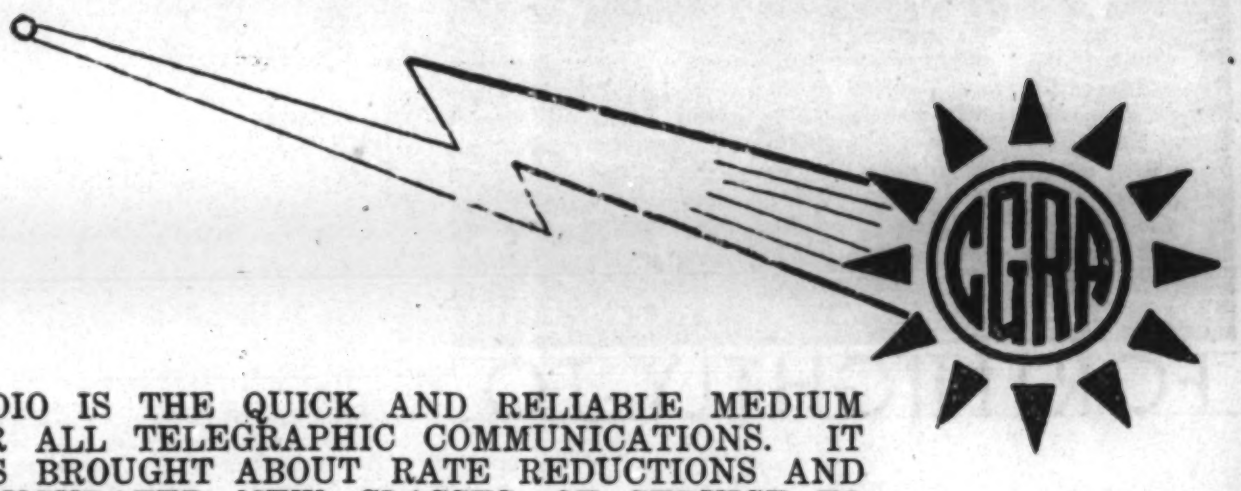

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The China Weekly REVIEW

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FAMILY RELATIONS ALSO IN THE JAPANESE CABINET

THE Japanese seem to have gone China better in the creation of a "family" Cabinet, according to a report in the *Japan Advertiser* on December 17 which stated that,

Family relationships are a feature of the new Government headed by the Inukai Cabinet, according to reports appearing in the Japanese papers, and it has already been dubbed the Family Cabinet by the local press. The Wakatsuki Cabinet was known as the Cabinet of Adopted Sons, because of the large number of Ministers who were adopted into other families in accordance with a customs usual in Japan.

In the new Government, Mr. Ken Inukai, son of the Premier, is acting as Mr. Inukai's private secretary, and Mr. Kenkichi Yoshizawa, who has been appointed Minister of Foreign Affairs, is the son-in-law of the Premier. Mrs. Yoshizawa is the eldest daughter of Mr. Inukai.

Mr. Hachiro Arita, who is mentioned as the most likely candidate for the post of Vice-Minister of Foreign Affairs, is the younger brother of Mr. Teijiro Yamamoto, Minister of Agriculture and Forestry; while Dr. Kisaburo Suzuki, Justice Minister, and Mr. Ichiro Hatoyama, Minister of Education, are brothers-in-law.

Mr. Kinji Nakahashi, private secretary of the Minister of Home Affairs, is the son of the Minister. Mr. Zembei Horikiri, Parliamentary Vice-Minister of Finance, and Mr. Zenjiro Horikiri, Vice-Minister of Overseas Affairs, are brothers.

In the Wakatsuki Cabinet, the Premier was an adopted son, as was Viscount Chifuyu Watanabe, Minister of Justice; Mr. Tasuku Egi, Minister of Railways; and Admiral Kiyokazu Abo, Minister of the Navy. At the same time, Mr. Junnosuke Inouye, while not exactly an adopted son from a legal standpoint, was treated almost as a son by Baron Yataro Iwasaki, one of the wealthiest men in Japan and connected with the Mitsubishi interests. Mr. Inouye married a daughter of Baron Iwasaki.

***

For long it was the custom of foreign writers unfamiliar with the dominance of "family" in Oriental affairs to criticise the administration of Gen. Chiang Kai-shek on the score that his cabinet was composed largely of relatives, that is, members of the Sun-Soong families, but never have we seen any criticism of Japanese politics for similar reasons. As a matter of fact the big corporations of Japan such as the Mitsuis and Mitsibisis are nothing more than family groups with ramifications which extend into all phases of Japanese life—and to still further strengthen and perpetuate the "family" they resort to the customs of "adoption," a system which is practically unknown in China.

CANTONESE IN CONTROL OF LABOR MOVEMENT IN SHANGHAI

ONE of the inevitable results of the gaining by the Canton faction of a large measure of power at Nanking has been a shift in the control of the labor movement in China generally and particularly in Shanghai. The principal point made by Madame Sun Yat-sen in her recent attack on the Kuomintang was that the masses of China were not getting a square deal, and there are already indications that the new Government at Nanking will be more liberal in its interpretation of the rights of Labor than was the last one. The leadership of the Labor movement in Shanghai has already gone into the hands of Cantonese, who have established the Shanghai General Labor Union on the ruins of the Shanghai Municipality General Labor Union, which was suppressed by the former Nanking Government. Simultaneously with the wresting of the Labor leadership, the Cantonese are now also redoubling their efforts to gain control of the Chinese Chamber of Commerce. The rival factions in the Chinese Chamber have played a strong game of chess against eachother during the past few months, accompanied now and then with a resort to violence—so much so that police from the Shanghai Bureau of Public Safety were stationed at the old Temple of Heaven in North Honan road in order to prevent a breach of the peace. It now appears also that the recent demonstrations by the students who insisted on proceeding to Nanking from all parts of China to protest were largely incited to act as they did by influential interests, most of them Cantonese, who desired to see the Chiang Kai-shek regime and some of the principal leaders of the Kuomintang discredited. A definite program to wrest the control of the Labor movement from the Kuomintang has been launched by the Leftists, and present indications are that, for weal or woe, Labor will from now on be able to raise its head in a way that it has not been able to do for the past year or two. One of the almost inevitable results will be a series of serious strikes—a foretaste of which has been given by the strike now in progress at the Wing On Cotton Mill in Yangtszepoo.

The Commercial Press, China's largest printing establishment, has been drawn into the vortex of the present labor unrest in Shanghai. The Commercial Press has suffered considerably in the past year or so because of strikes, and this time has been caught between the millstones of the two rival labor organizations. So far the Leftist group has got the upper hand. On the morning of December 28 10 members of the Provisional Committee of the Commercial Press unit raided the offices of the Publication Workers Committee in Chapei and removed the contents, and further trouble is apparently brewing.

The labor situation in the Shanghai area can accurately be described by that very much overworked word, "tense," and many large employers of labor, both Chinese and foreign, view the next few weeks with distinct apprehension. Shanghai is more and more being affected by the world-wide business depression and the list of unemployed in this area is constantly growing. All these conditions, together with the still unsettled Chinese political situation, make for instability, agitation and a disposition to violence.

DISTURBED SITUATION ONCE MORE IN INDIA

TELEGRAMS from London and India during the week indicated that there is likely to be a recrudescence of serious disorders in India in the near future. Mahatma Gandhi on his return to India found himself in the position of practically having to countenance a policy of violence by his Indian compatriots, as opposed to his previous policy of non-violence, or else lose a great deal of his prestige. At the same time the British Prime Minister, Mr. Ramsay MacDonald, in the course of an interview, declared: "It is very hard when the (British) Government has given more proof than any of its predecessors that it is preparing, in conjunction with the leaders of Indian opinion, to broaden Indian freedom, that the exponents of violence and disorder are dashing the cup that is being offered from Indian lips."

Premier MacDonald declared that the recent disorders at Kohat, Bannu city and elsewhere did not represent a baffled, oppressed India, struggling to be free, but were part of a mischievous movement that was trampling upon Indian progress. At the same time that the British Premier was making clear the British point of view, Mr. Gandhi in the course of an interview in Bombay said that the Indians in their last fight had to face clubs (**lathis** is the word usually used in the telegrams), but in this fight they would have to face bullets.

In the meantime rumblings of increasing disorders have come from various parts of India. At Peshawar during the week individual "Reds", dressed in white and wearing garlands, have gone through the streets shouting revolutionary slogans—then proceeding to the police stations and offering themselves for arrest. For the past few weeks agitators in India have been striving to push forward their "no rent" campaign. A body which has taken upon itself the title of the "Red Shirts" is conducting the campaign. Mobs of "Red Shirts" were dispersed on two occasions at Gonda, capital of the district of the same name, where they were attempting to hold a meeting. Upwards of a thousand arrests were made in the Northwest Frontier Province during the week.

Present indications are that the new coalition Conservative Government in Great Britain will adopt a policy of repression in India, on the theory that any further move towards conciliation will be misunderstood. It will be recalled that some months ago the fiery Winston Churchill in the course of a speech criticizing the moderate policy of the MacDonald Government said that despite all the disorders and propaganda the British had gone on with the task of governing India by force, and it had been proved that you could not tame a tiger with cat's meat; and more of the same sort of provocative demagogy. Premier MacDonald at the time deprecated Mr. Churchill's attitude, but it would appear that in the meantime Mr. MacDonald has, to a great extent, adopted Mr. Churchill's point of view.

Under the Japanese Flag in the Manchurian Capital

(Written at Mukden on Dec. 15)

SOMETIME ago *The Review* printed some pictures of gambling and opium joints which have been opened under Japanese auspices in the city of Mukden since the first of the present month. Thus far the Japanese have not denied the report, but in case they do here is a partial list of the places with the names and street addresses. In each case the Japanese flag is displayed prominently over the front door and usually a Japanese is found inside the joint who claims to be the proprietor or lessor of the premises. The Japanese consular officials in Mukden allegedly deny any knowledge of the Japanese gambling resorts and according to report place the responsibility with the Japanese military authorities. At any rate here is a partial list of the gambling and opium dens which was prepared by a Chinese resident of Mukden:

Name	Locality
Jui Tien Club	Ping Kang Li, Ta Hsi Kuan
Hu Ping Club	Erh Shih Lu Wei Loo Shih Pa Chin Loo
,, ,, 1st Branch	Tien Chu Tao, inside Hsi Chang Company
Hu Ping 2nd Branch Branch	Ta Hsi Pien Men
Ping Hu Club	Nan Shih Chang
Shen Yang Club	,, ,, ,,
Chen Hsing Club	,, ,, ,,
Hua Hui Club	,, ,, ,,
,, ,, ,,	,, ,, ,,
Shen Yang Club	Hsi Peh Shih Chang
Hsi Shih Chang Club (1st)	,, ,, ,, ,,
—do— (2nd)	,, ,, ,, ,,
—do— (3rd)	,, ,, ,, ,,
—do— (4th)	,, ,, ,, ,,
—do— (5th)	,, ,, ,, ,,
—do— (6th)	,, ,, ,, ,,
North Eastern Theatre Club	Nan Shih Chang
Jih Shang Club	Peh Shih Chang
Kuang Hua Club	Tien Chu Tao
Chin Chun Club	Peh Shih Chang
Tai Cheng Club	Peh Shih Chang
Ti I Club	Tien Chu Tao
Ta Ting Club	,, ,, ,,
Kung Che Club	Outside Hsiao Hsi Pieh Men
Hua Hui Club	In park, outside Hsiao Hsi Pieh Men
Kung Yuan Club	—do—
—do— (2nd)	—do—
—do— (3rd)	—do—
—do— (4th)	—do—
Yu Chien Club	Kung Yeh Chu
Wei Hsi Club	,, ,, ,,
Jui Tien Club	,, ,, ,,
Hsiao Yeh Club	Outside Hsiao Hsi Pien Men

N. B. Twenty more similar dens outside East Gate and North Gate near the Shen Hai Railway are not included in this list.

⁂

Y. Tsurumi, son-in-law of the late Count Goto, is generally rated among the more liberal-minded Japanese, provided it is correct to assume there are any liberal-minded or idealistically inclined Japanese—which one often is inclined to doubt and particularly so if one bases his opinion upon what appears in the Japanese newspapers. However, Mr. Tsurumi has a reputation for liberalism and we will give him the benefit of the doubt. After attending the sessions of the Institute of Pacific Relations at Shanghai, Mr. Tsurumi went to Manchuria and spent considerable time investigating the situation in Mukden, following which he returned to Japan by way of Dairen. In Dairen he made a speech before the Rotary Club wherein he reviewed the relations of Japan and the United States. A report of his address appeared in the *Manchuria Daily News* on Dec. 11 and giving allowances for the Japanese version of the English language as it is dealt out in that paper, Mr. Tsurumi declared: "It would be wise for Japan to immediately concentrate her attention upon eliminating whatever sources of misunderstanding which exist about the real motives of her military activities in Manchuria at present....in order to provide against the time in the near future when the United States, Great Britain and Germany have recovered from their financial complications and the economic depression and when Soviet Russia has completed her Five-Year Economic Program." The statement by Mr. Tsurumi was inspired by the declaration of Newton D. Baker, former Secretary of War in the Wilson Administration wherein Mr. Baker strongly attacked Japan's military adventure in Manchuria. Referring directly to Mr. Baker's statement, Mr. Tsurumi warned his hearers that Mr. Baker's declaration should not be taken lightly due to the possibility that Mr. Baker might become a candidate for President of the United States. Continuing, Mr. Tsurumi said that China "being the weaker nation had an advantage in explaining her stand, while Japan's stand is so hopelessly intricate as to make it very difficult to hammer the truth into the minds of the independent jury of the world's opinion."

⁂

In the opening paragraphs of his address as reported in the Japanese organ in Dairen, Mr. Tsurumi reviewed Japanese-American relations, stating that before the Russo-Japanese War the relations of the two countries were "very good," but after the war conditions changed and American opinion of Japan was further prejudiced as a result of the Twenty-One Demands which Japan attempted to put over on China in 1915. The anti-Japanese land laws of California in 1924 actually created sympathy for Japan among the Americans in Mr. Tsurumi's opinion and he stated that there is now a movement to place Japanese immigrants on a quota basis similar to other nationalities. He then referred to the Harriman scheme and the Knox plan for neutralizing the Manchurian railways and declared that America's old fear of Japan's plans for annexing Manchuria had been "disarmed." He stated that while on his recent lecture-tour in the United States he had found American-Japanese relations "the pleasantest." But he feared the present developments in Manchuria may have brought about a "change," hence the necessity for Japan to concentrate her attention upon the removal of "whatever misunderstanding that may have developed

recently." There is, of course, no suggestion of liberalism in Mr. Tsurumi's remarks, but there is a suggestion of apprehension regarding the possible effect of Japan's present military adventure on foreign opinion—particularly after the United States, Great Britain and Germany have recovered from their present domestic complications and after Russia has put over her Five-Year plan. Mr. Tsurumi is not alone in this apprehension. About two weeks ago Mr. Hayashi, the Japanese Consul-General in Mukden made a hurried trip to Tokyo and shortly after his arrival there the Japanese newspapers printed reports regarding the high necessity for Japan to immediately create a sort of "Super-Committee" on Manchurian affairs for the purpose of formulating a definite Manchurian Policy which Japan could announce to the world. According to the suggestion the super-committee was to include the Japanese Consul-General at Mukden, the president of the South Manchuria Railway, the Governor of the Kwantung Leased Territory, the Commander-in-Chief of the Kwantung Army, and possibly the Governor-General of Korea. The formation of such a committee would naturally give the civilian authorities a voice in the formulation of Manchurian policy, but according to reports from Tokyo the scheme had to be thrown out because of the opposition of the military clique, which considers Manchuria its private sphere. What is likely to happen in view of recent political developments in Tokyo cannot be forecasted, but every move which any Japanese civilian influence in Manchuria has suggested along the line of clarifying Japanese policy, has been quickly squelched by the Japanese military clique.

Gen. Honjo, Commander of Japanese forces in Manchuria, always referred to as the "Commander-in-Chief of the Kwantung Army"

⁂

The Japanese military clique which controls all Japanese enterprises on the Asiatic continent has its own ideas regarding the future of Manchuria—ideas eloquently expressed in the intrigue conducted by Col. Doihara for a restoration of the Manchu Dynasty, the so-called Peace and Order and Independence Committee in Mukden, and the smaller independence committees which have been created in forty-five out of the fifty-eight hsiens of Fengtien province, the independent regime in Kirin province and the comic-opera intrigue for the creation of an independent government in Heilungkiang province. Therefore it was both interesting and significant to read in the *Japan Advertiser* (Tokyo) on Dec. 7 that the Japanese Army is now supporting the policy of the "Open Door" in Manchuria. In an official announcement of the Japanese Army it was stated that the old policy of centering all Manchurian affairs around the South Manchuria Railway will be abandoned, which means that Japan will not insist upon a predominant position as regards economic rights, but will welcome the investment of foreign capital in Manchuria and Mongolia. Further it was stated that the Japanese Army is now investigating the matter of establishing new Manchurian and Mongolian economic policies based on the possibility of opening up these territories to world investment.

Much was stated about the need for road construction connecting North and South Manchuria and of a plan for establishing air-routes connecting all parts of the three northeastern provinces. Also it was stated that the Japanese Army has far reaching plans for the financial reorganization of the Mukden "independent" government. Whereas the late Chang Hsueh-liang regime allegedly used 90 percent of the annual revenue of $80,000,000 (silver) a year for military purposes, the Japanese intend to use this money for development purposes—presumably beneficial to the Japanese Army and Japanese interests which work with the army.

⁂

However, one must judge Japanese policy in Manchuria not on what the Japanese Army headquarters announces for public consumption, but upon what is actually being done in the Northeastern Provinces under the present military regime. One of the foreign (non-Japanese) organs in Mukden which is interested in the development of international trade recently made a tabulation of what the Japanese actually have done in Manchuria since September 18 when the Japanese Army took charge, from the standpoint of consolidating Japan's economic and political interests. The following is the result:

1—Fengtien Peace-Maintenance or "Independent" Committee, headed by Yuan Chin-kai, which was formed under the personal direction of Gen. Honjo and Col. Doihara immediately following the Japanese military occupation of Mukden on Sept. 18. This Committee has three Japanese advisers, Messrs. Imagi, Naribi and Kanboka and in addition some twenty additional Japanese attaches (secret service officers) who serve the Committee as "protectors."

2—Mukden Municipal Office—When the Japanese troops occupied Mukden on Sept. 18 and the local Chinese administration collapsed, the Japanese army appointed Col. Doihara, previously a Japanese "adviser" or liason officer in Mukden as Acting Mayor of the Mukden Municipality. Later on, the Japanese caused a Chinese lawyer, Chao Ching-po (educated in Japan), to be appointed Mayor and Col. Doihara resigned to become "adviser" to the Chinese Mayor. Still later Col. Doihara was sent to Tientsin to engineer the abortive restoration of the Manchu boy emperor, Pu-Yi, and the uprising against Marshal Chang Hsueh-liang, and another Japanese named Nakano was appointed adviser to the Mukden Municipality and another Japanese named Okakiti was appointed "special adviser" to the Chinese Mayor. In addition some eight Japanese have been appointed "supervisors" to the various Municipal departments, including the Foreign Office. Also there are a large number of other Japanese hangers-on who are attached to the Chinese Municipal administration, most of them being ex-service men, ruffians, body-guards, etc., who have a large room next to the Mayor's office. Mayor Chao Ching-po claimed these men are "employees" of the Municipality.

3—Fengtien Municipal Police Department—Controlled directly by the local Mukden Japanese Gendarmerie, which has its headquarters in the Mukden Japanese Concession.

4—Fengtien Bureau of Finance—Controlled by Japanese adviser named Irobe and number of assistants.

5—Fengtien Bureau of Industries—This important bureau which has control of the granting of concessions for industrial establishments, mining ventures, etc., is controlled by a Japanese adviser named Hashino.

6—Fengtien Bureau of Telegraphs—Controlled by Chin Pi-tung, a Manchu (son of late Prince Su) who in addition to being director of the Changchun-Kirin-Tunhwa Railway is concurrently director of the Northeastern Telegraph Administration. Director Chin Pi-tung was appointed to both positions by the Japanese Army, but actual control of the Fengtien Bureau of Telegraphs is exercised by a large staff of Japanese censors who inspect all incoming and outgoing messages.

7—Mukden Telegraph Office—Controlled by Japanese adviser named Nagagibe.

8—Chinese Post Office at Mukden—Frank Poletti, an Italian technical expert appointed by the Chinese Government in accordance with international understanding, still functions as Associate or Assistant Director of the Chinese Post Office at Mukden with Chinese officials who are remaining on the job. Japanese control on influence in the office is exercised through two Japanese employees of the Post Office, who recently were authorized by General Honjo to inspect all postal accounts and reports on behalf of the Kwantung Army Headquarters. In addition there are seven Japanese postal censors who have been placed in the post office by the Japanese Army. It is claimed that these censors do not interfere with mail addressed to or received by foreign firms, due to fear of foreign complications and protests on the part of the Foreign Consular Body at Mukden. The Japanese censors do, however, have access to all Chinese mail and obviously possess the power and facilities to interfere with foreign mail if they wish to exercise that function.

9—Bank of the Three Eastern Provinces—Control exercised through Japanese adviser named Suda and some eight "counsellors" who serve as heads of the various departments and whose signatures must be obtained on all important banking transactions.

10—Frontier Bank—Japanese control exercised similar to that of Bank of Three Eastern Provinces.

11—Bank of China and Bank of Communications—Not directly controlled by Japanese adviser stationed on premises, but all important transactions subject to supervision of Japanese adviser Suda who controls the Frontier Bank and Bank of Three Eastern Provinces.

12—Li-Da and Company—This important Chinese enterprise, owned by the Bank of the Three Eastern Provinces, which functioned as agent of the bank in the export of Chinese native products such as soya-beans, wheat, etc., is now completely controlled by the Japanese and according to report its activities are to be taken over by the large Japanese companies or continued as an auxiliary of the Japanese interests.

13—Mukden Cotton Mill—Previously Chinese controlled and operated. Was closed for considerable period following Japanese occupation, but recently re-opened under Japanese supervision.

14—Fu-Chouwan Coal Mine—Largest Chinese-owned coal mine in Manchuria; forcibly taken over by Japanese military following the occupation and now operated directly by the Japanese.

15—Pen-Chi-Hu Coal Mine—Previously was a Sino-Japanese enterprise, but all Chinese officials were ousted following Japanese occupation and now operated by Japanese.

16—Mukden Electric Light Company—Constructed and operated by Chinese as private enterprise. Now completely controlled by Japanese with Japanese manager and heads of departments. Shortly following Japanese occupation of Mukden, the Japanese installed converters enabling plant to use power supplied from the Japanese Fushun plant.

17—Chinese Electric Plants at Antung and Changchun—Constructed by Chinese to prevent extension of Fushun monopoly, but both plants seized by Japanese military and forcibly closed and power switched over to Japanese plants; operated under so-called Sino-Japanese companies recently organized.

18—Kirin-Changchun and Kirin-Tunhwa Railways—Formerly under separate Chinese managements, but now amalgamated under direct Japanese control. All accounts and business transactions now handled directly by Japanese.

19—Ssupingkai-Taonan and Taonan-Anganchi Railways—Although containing considerable Japanese financial investment, both lines previously controlled and operated under separate Chinese managements. Both railways now controlled by Japanese and understood to have been merged. Also reported that the Chinese line from Anganchi (on

C. E. R.) running northward through Tsitsihar to Kaoshun, which was built by the Heilungkiang provincial government, has also been merged with the Ssupingkai-Taonan and Taonan-Anganchi lines under complete Japanese control.

20—Fengtien-Hailung and Hailung-Kirin lines—Both Chinese constructed and operated, but now subject to Japanese supervision. All through traffic over these lines from Kirin city through Mukden over the Chinese-controlled Peiping-Mukden lines has been stopped due to Japanese cutting of the Peking-Mukden line in two places in vicinity of Mukden. Japanese military has connected Pei-ping-Mukden tracks with the Japanese-owned South Manchuria line, thus enabling Japanese Army to dispatch armored trains and troop trains over Chinese line.

21—Newchwang Salt Gabelle Office—Forcibly taken over by Japanese military following Japanese occupation and large reserve funds on hand transferred to the accounts of the Mukden "Peace and Order" Committee and used to finance this committee serving under Japanese supervision.

22—Mukden Telephone Office—Prior to the Japanese occupation the Chinese Municipality of Mukden maintained its own telephone administration as distinct from the Japanese administration in the Japanese Concession. It was always possible to obtain a connection between the two services, but the connection was not efficient and always required considerable time. Since the Japanese occupation the Japanese have established direct connection between the two systems and all public telephone booths in the Japanese Concession now contain labels on the doors "Japanese" telephone and "Chinese" telephone. Japanese military maintains guard outside Chinese telephone central building and Japanese censors inside.

23—Japanese public utilities such as waterworks and gas, previously confined to the Japanese Concession at Mukden, have, since the Japanese occupation been extended into the Chinese city, including walled town and so-called "international" town, previously Chinese-controlled. This work was done by a large staff of laborers working double-shift during the first six weeks of the Japanese military occupation.

24—Mukden Radio Plant—Prior to the Japanese military occupation this station consisted of three distinct units, a long-wave plant containing German equipment which was constructed several years ago for the purpose of facilitating domestic communication within the Three Northeastern Provinces; a so-called American station containing R. C. A. equipment which maintained direct communication with San Francisco; and a so-called German station containing Telefunken equipment which maintained direct communication between Mukden and Berlin. Through the long-wave plant which had branches throughout the provinces it was possible to communicate directly from most important northeastern cities and towns with Mukden and from Mukden to the United States and Europe. The long-wave plant was completely wrecked on the night of the Japanese military occupation of Mukden, and several weeks later the main building was burned, despite the fact that it was guarded by the Japanese military. The American and German stations since have remained closed, despite numerous statements by Japanese Government (Foreign Office) at Tokyo and Japanese diplomatic representatives at Washington and Geneva that they were to be re-opened "shortly." On one occasion the Japanese Ambassador in Washington, in response to an inquiry by Secretary of State Stimson, declared that the Mukden Radio station would be re-opened within "one week." This was practically two months ago. The reason for the Japanese continued closure of these plants is to divert all telegraphic communication from Manchuria over the Japanese lines via Tokyo, which are subject to Japanese military censorship. All direct telegraphic communication between Manchuria and China proper south of the Great Wall has been cut.

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The foregoing information complied from authoritative sources of information in Mukden now under the shadow of the Japanese flag naturally gives the lie to any declarations of the Japanese military clique that they intend to maintain the "Open Door" in Manchuria. With the Japanese Army in physical control of the country and with Japanese commercial and financial interests in control of all means of transportation and communication, public utilities, industrial enterprises, mines, harbors and forestries, the Japanese may well throw open the remainder of Manchuria to the outside world for financial investment—which would mean large Japanese loans floated abroad for the exploitation of the resources of Manchuria and Mongolia under Japanese auspices. Also it would mean that the large Chinese population of 30,000,000, consisting largely of peasantry, would be ground down under the heel of the Japanese military and associated financiers and industrialists for the further enhancement and enrichment of the Imperial Japanese Empirer.

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Recently the Japanese propagandists and military authorities have circulated a lot of "blah" about Gen. Ma Chun-shan's alleged weakening and changed attitude toward the Japanese Army and Japanese control of Heilungkiang province of North Manchuria. Here are the facts about the first meeting of a Japanese staff officer dispatched to Hailun by Gen. Honjo on Dec. 7. The Japanese officer was Col. Itagaki who arrived in Harbin some days prior to Dec. 7 and held a conference with the Japanese Consul-General Mr. Ohashi. The Japanese Consul-General then got up a "party" of foreign newspaper correspondents to accompany Col. Itagaki, the object apparently being to assure safe conduct for the Japanese officer who feared to invade Gen. Ma's zone alone. The party proceeded to Hailun on the branch railway which connects that town with Harbin and arrived there at about midnight. According to the report brought back to Harbin by the foreign correspondents, Col. Itagaki addressed himself to Gen. Ma in the following words,

> "The Japanese Army desires to establish complete cooperation with China. Gen. Honjo expects Gen. Ma to change his anti-Japanese attitude and arrive at an understanding. If Gen. Ma will discontinue his military activities, the Japanese will be willing for Gen. Ma to be left in charge of military affairs in Heilungkiang province in the interest of the maintenance of peace in northeastern Asia. Gen. Honjo has made up his mind not to permit any further anti-Japanese movements in the Northeast and has developed far-reaching plans for the development and reconstruction of the country as a whole. Gen. Honjo is a great respector and admirer of Gen. Ma for his brilliancy and bravery and the Japanese have witheld further attacks on the Hu-Hai and Tsi-Ki Railway zones."

Gen. Ma Chun-shan replied to Col. Itagaki to the following effect:

> "I likewise agree to the first point mentioned by Col. Itagaki, that is, there should be cooperation between Japan and China. I also agree as to the second point that China and Japan should reach an understanding, but only in so far as China's sovereignty is fully respected by Japan and as true friendship for China is manifested by Japan. The recent movements of the Heilungkiang troops have been taken purely in self-defense. I am subject only to the orders of the National Government at Nanking. My supreme hope is that the troubles between China and Japan may shortly be solved properly and justly."

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What has happened since this interview is not known, but according to reports in Mukden,

Gen. Ma finally decided to proceed half-way to Harbin in order to hold a conference with Chang Ching-hui, civil-governor of the Harbin Special District, who has been trying to put over an "independence" movement both in Harbin and Heilungkiang province. It was reported through Japanese sources that Chang Ching-hui promised to finance and munition Gen. Ma's troops and place him in control of the military in Heilungkiang, providing Gen. Ma would cease his anti-Japanese activities and cooperate with Chang Ching-hui, who has the support of the Japanese for the governorship of Heilungkiang. As reported in these columns previously, Chang Ching-hui "happened" to be in Mukden on Sept. 18 when that city was captured by the Japanese forces. He remained in Mukden, supposedly under Japanese detention, for several days following the Japanese occupation and then suddenly turned up in Harbin with a proposal that Harbin declare itself "independent" similar to what had been done in Kirin and also somewhat along the line of the "Peace and Order" committee which had been set up in Mukden under the nominal chairmanship of Yuan Chin-kai, but subject to Japanese military supervision. A meeting was called by Chang Ching-hui in Harbin for this purpose, but he was denounced as a Japanese agent and his life threatened. Chang Ching-hui then kept quiet for a time, but finally came back with another proposal—that Harbin should have an additional police force to cope with the disturbed situation resulting from the Sino-Japanese complications. Harbin already had a police force of about 5,500 men and in addition had the special protection of the Chinese Eastern Railway guards, numbering more than 10,000 under Gen. Ting Chao, the Chief-of-police and head of the C. E. R. guards both being loyal to Chang Hsueh-liang and the Central Government. Finally it was decided to permit Chang Ching-hui have his way and organize a special "peace protection" force of 2,500 men, the arms for this new force having been supplied to Chang Ching-hui by the Japanese from the supply which the Japanese took over in the Mukden arsenal. However, it was whispered in Harbin that the commander of the C. E. R. guards and the Chief-of-police had "packed" Chang Ching-hui's new force with their own men, hence no special anxiety was felt on the subject. The final chapter in the Harbin and Heilungkiang situation still is to be told. The Japanese, following the occupation of Tsitsihar, quickly reduced their force in that city to less than a regiment; then they increased it again by sending fresh troops transferred to Manchuria from one of the most northern ports of Japan, the purpose being to send Japanese troops to Tsitsihar which were accustomed to cold weather. Whether Gen. Ma, who is short of rifles and munitions and money, will finally be forced to compromise with Chang Ching-hui remains to be seen but latest military reports from Japanese circles in Mukden tell of Gen. Ma's "uncertain" attitude and of increased "banditry" in the Tsitsihar area.

The New Government at Nanking—Southerner at the Head

THE outstanding feature of the results of the ballots for the election of members of the new Government at Nanking cast at the final plenary session of the Central Executive Committee and the Central Control Committee of the Kuomintang on December 28 was that all the occupants chosen for the six highest positions are civilians. But of almost equal significance is the fact that the membership in the powerful Standing Committee of the Central Political Council was restricted to three members and these are: General Chiang Kai-shek, Wang Ching-wei and Hu Han-min. Not one of these three was present at the meetings in Nanking, General Chiang remaining at his ancestral home in Chekiang province, Mr. Wang Ching-wei remaining in Shanghai, and Mr. Hu Han-min remaining in Canton. Nevertheless these three men are believed to be the real powers behind the scenes, at times undoubtedly working at cross purposes, but none the less united on major issues of party policy.

Mr. Lin Sen, was chosen as chairman of the National Government. He is a veteran Fukien statesman, and received the full support of the Southern faction. He won out over Mr. Yu Yu-jen, a native of Shensi, who has been president of the Control Yuan for the past year. The post of Chairman of the National Government is similar to that held by the President of the French Republic.

The following were elected as Presidents and Vice-Presidents of the various Yuan:

Mr. Sun Fo, president of the Executive Yuan.

General Chen Ming-shu, vice-president of Executive Yuan (later appointed Minister of Communications).

Mr. Chang Chi, president of the Legislative Yuan.

Mr. Tan Chen, vice-president.

Mr. Tai Chi-tao, president of the Examination Yuan.

Mr. Liu Lu-yin, vice and acting president.

Mr. Yu Yu-jen, president of the Control Yuan.

Mr. Ting Wei-fang, vice-president.

Dr. C. C. Wu, president of the Judicial Yuan.

Mr. Chu Cheng, vice-president.

As Mr. Tai Chi-tao is not expected to come to the Capital for some time, Mr. Liu Lu-yin will be acting president of the Examination Yuan for the time being.

The following nine members of the Standing Committee of the Central Executive Committee were elected: General Chiang Kai-shek, Mr. Hu Han-min, Mr. Wang Ching-wei, Mr. Sun Fo, Mr. Yu Yu-jen, Mr. Ku Meng-yu, Mr. Chi Cheng, Mr. Chen Kuo-fu, Mr. Yeh Chu-tsang.

Mr. Yeh Chu-tsang was elected Secretary-General of the Kuomintang.

The following thirty-three were elected members of the National Government Council:

General Chiang Kai-shek, Mr. Wang Ching-wei, Mr. Hu Han-min, Marshal Feng Yu-hsiang, General Yen Hsi-shan, General Po Wen-wei, General Chen Chien,

General Hsiung Keh-wu, General Fang Cheng-wu, General Li Lieh-chun, General Wang Shu-chang, General Ma Fu-hsiang, Mr. Wang Ching-wei, Mr. Tang Shao-yi, Mr. Chang Ching-kiang, Dr. Tsai Yuan-pei, Mr. Hsiao Fu-cheng, Mr. Teng Shih-wu, General Hsu Chung-chi, Mr. Wang Fa-chin, Mr. Chou Lu, Mr. Shao Yuan-chung, Mr. Chen Kuo-fu, Mr. Yeh Chu-chang, Mr. T. V. Soong, Mr. Wang Peh-chun, Mr. Chao Tai-wen, Mr. Liu Chang-chin, Mr. Hsueh Tu-pi, Mr. Chin Heng-yi, Mr. H. H. Kung, Mr. En-Ke-Pa-Tu, and Admiral Yang Shu-chuang.

Amongst the qualifications for members of the National Government Council it is stipulated that they shall not be military commanders or ministers of the Government at the time of the election. The inclusion of such prominent military members as General Chiang Kai-shek, Marshal Feng Yu-hsiang and General Yen Hsi-shan is explained on the ground that they are *retired* military commanders.

On the other hand Marshal Chang Hsueh-liang and General Han Fu-chu are considered as *active* military commanders and therefore have *not* been appointed to the Council.

It was also explained that Mr. T. V. Soong, former Minister of Finance, and Wang Peh-chun, late Minister of Communications, were elected members of the National Government Council in order to show that they would not be given ministerial posts.

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The Central Executive Committee at Nanking on December 29 approved the appointment of the Ministers in the new Government, as submitted by Mr. Sun Fo, president of the Executive Yuan. Their formal induction into office was scheduled to take place on New Year's Day. The list of the new Ministers follows:

Foreign Affairs, Mr. Eugene Chen.
Finance, Mr. Huang Han-liang,
Communications, General Chen Ming-shu.
Railways, Mr. Yeh Kung-cho.
War, General Ho Ying-ching.
Navy, Admiral Chen Shao-kuan.
Education, Mr. Chu Chia-hua.
Justice, Dr. Lo Wen-kan.
Home Affairs, Mr. Li Wen-fan.
Industry, Mr. Chen Kung-po.
Other appointments made were:
Chief of Staff, General Chu Pei-teh.

Inspector General of Military Training, Marshal Li Chi-sen.

President of the Military Advisory Council, General Tang Seng-chi.

Chairman of Mongolian and Tibetan Affairs committee, Mr. Shih Chin-yang.

The Central Executive also made the following appointments:

Publicity Committee of the Kuomintang: Messrs. Shao Yuan-chung; chairman; Liu Lu-ying, vice-chairman; Chin Heng-yi; Kan Lai-kuan; Kuai Tsung-chi; Cheng Tien-fang; Huang Chi-lu; Liang Han-tsao; Lo Chia-lun; Chen Fu-mu; Tung Chia-yen; Wang Lu-yi; Keh Hsin-eh; Chow Fu-hai and Tsang Yu-jen.

Organization committee of the Kuomintang: Messrs. Wu Teh-chen, chairman, Chen Li-fu vice-chairman, Chow Lu, Shih Chin-yang, Pei Yun-ti, Chang Tao-fen, Yu Chin-tan, Tuan Hsi-peng, Ching Li-shen, Fen Yu-huai, Ku Cheng, Chao Pi-lieh, Teng Fei-huang, Miao Pei-chen, Chiao Yi-tang and Yang Hu.

In addition to the 33 members of the National Government Council elected previously the names of Dr. C. T. Wang, former minister for foreign affairs, Admiral Yang Hsu-chuang, former minister of the Navy, and Mr. Liu Shou-chung were added on December 29.

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One of the important developments in Chinese politics incidental to the recent changes at Nanking is the emergence once more of Generals Yen Hsi-shan and Feng Yu-hsiang. Both of them sent delegates to Nanking last week, and in the meantime Feng proceeded to Nanking personally, and after a short stay there came down to Shanghai. Generals Yen and Feng, who had not seen each other for two years, following the collapse of their joint rebellion against the Central Government, met at Lanchuan, a village 13 miles north of Taiyuan, Dec. 24. The meeting of the two veterans lasted all afternoon and it is generally expected that both will again take an active part in Chinese political affairs. General Yen, until a few months ago, had been living in retirement in Dairen; General Feng had been living the life of a recluse in southern Shansi. Feng made the trip to Nanking, via Taiyuanfu, Shichiachuang, Chinchow and Hsuchowfu. In an interview at Taiyuanfu Marshal Feng expressed the opinion that the entire Chinese army should be concentrated at the front against Japan.

Marshal Feng arrived in Shanghai December 30, dressed in his characteristic farmer's garb. One of his first actions was to interview Mr. Wang Ching-wei who is at present in a foreign private hospital in Avenue Joffre. During his stay here the Marshal is living at 301 Rue Cardinal Mercier, the premises formerly occupied by Mr. Hu Han-ming, who is still in south China. In an interview Marshal Feng said that he would shortly visit General Chiang Kai-shek at the latter's ancestral home in Fenghua, Chekiang province, and later would proceed to south China to see Mr. Hu Han-ming.

In all his interviews and conversations the Marshal stressed the necesity for the Chinese to sink all factional differences and unite to resist the Japanese aggression and to accomplish China's salvation. In a statement at Nanking the Marshal joined Mr. Sun Fo in a tribute to General Chiang Kai-shek, among other things saying:—"As for my sworn brother, Comrade Chiang Kai-shek, I had signed with him, at Chengchow, a joint oath, pledging our eternal friendship, even if the ocean should dry up and the rocks should decay. He has now already retired. While he may have his shortcomings he certainly has his special merits. We therefore earnestly hope that he will re-join us in coping with the national crisis."

Sun Fo Sends New Year Message to the Chinese Nation

Sun Fo, president of the Executive Yuan, on December 30 issued a New Year message to the Chinese nation, urging the masses to cooperate with the government so that China may find during the year to come a road to peace and prosperity. In the course of this message, Mr. Sun said:

"The fundamental cause of our troubles in the past 20 years was military dictatorship. This is so evident that no explanations are necessary. The reason why the military group could dictate State affairs was chiefly due to the absence of any force stronger than the military. There are roughly three political forces in China. firstly, the military, secondly, the politicans, and thirdly, the people. During the past 20 years the people were either unorganized or not properly organized, so that their influence was not felt. The politicians only knew how to solve political problems in accordance with the prevailing military situation. These politicans were really the tools of the military and, as a result the military group dominated China's political life...Merely changing the mind of the people alone, will not help the country materially. The people of China must organize themselves according to their profession and locality."

Mr. Eugene Chen, Minister of Foreign Affairs (Successor to Mr. Wellington Koo)

Mr. Huang Han-liang, Minister of Finance (Successor to Mr. T. V. Soong)

Mr. Chen Kung-po, Ministry of Industries (Successor to Dr. H. H. Kung)

Mr. Yeh Kung-cho, Minister of Railways

General Ho Ying-ching, Minister of War

Mr. Lo Wen-kai, Minister of Justice

Mr. Chu Chia-hua, Minister of Education

Admiral Chen Shao-kwan, Minister of Navy

General Chen Ming-shu, Minister of Communications

Japanese Make Steady Advance on Chinchow, Last Chinese Stronghold in Manchuria

THE Japanese Army did not keep up to the schedule of capturing Chinchow by Christmas Day, and thus failed to fulfill Will Rogers' prediction that it would hand to the Japanese Government a nice Christmas present. The Japanese aim seems to be to jockey the Chinese out of Chinchow if possible, but to capture it by assault in due course if the Chinese do not in the meantime withdraw. Again and again the Japanese have reiterated that they "have made earnest attempts to persuade Marshal Chang Huseh-liang to withdraw for the purpose of avoiding a clash." The other stock argument made by the Japanese, repeated *ad nauseum*, is that the "Chinchow military authorities are carrying out systematic intrigues with the bandits." Both of these arguments for strengthening the Japanese forces in Manchuria and for continuing the advance on Chinchow were made once more by Japan in reply to notes presented to the Japanese Government December 24 by the United States, Great Britain and France. China, through its special diplomatic affairs commission, sent another appeal to the League of Nations December 26 charging Japan with violation of Article I of the resolutions adopted by the League on December 10. The Chinese protest requested effective efforts by the League of Nations to halt the Japanese advance on Chinchow.

In the meantime the advance on Chinchow has continued although not as rapidly as observers on the spot had predicted. The Japanese Cabinet at Tokyo December 27 sanctioned the dispatch of an additional mixed brigade from Korea as reinforcements for the Japanese troops in Manchuria. The Japanese War Office statement emphasized that these reinforcements were only being sent temporarily, but were necessitated for the present by the inadequacy of the existing Japanese forces in Manchuria to cope with the constant and systematic attacks being made on the railways at the rear of the Japanese Army, especially on the Mukden-Antung line. The Japanese captured Tienchuangtai on the Koupangtsze-Yinkow railway on Christmas Day, the Chinese garrison there withdrawing to Panshan. The Japanese occupied Tawa after some fighting on the evening of December 28. The drive in the direction of Chinchow is being directed by General Taman, the commander of the Japanese Second Division, from his headquarters at Tienchuangtai. The operations were carried on in a temperature registering 30 degrees of frost. Light bombing planes were used to a large extent. Messages from Tokyo stated that the Chinese casualties were heavy.

On the morning of December 27 a battalion of Japanese infantry and one battery of field artillery arrived at Tientsin from Tangku. These reinforcements—which together with those which had arrived previously, brought the number of new Japanese troops at Tientsin to 1,700,—were believed by observers in Tientsin to be intended for the purpose of guarding the Japanese Concession there in the event of a retreat of the Chinese troops from Chinchow.

The Japanese in their operations caused repeated destruction with bombing planes. On several occasions Chinese armored trains were put to rout by such bombing operations. Kaopangtsze was bombed December 29. Japanese troops occupied Panshan, a station 19 miles south of Kaopangtsze at noon December 29. Japanese contingents operating against Chinchow are being reinforced with daily arrivals both from Korea and Japan. According to a telegram from Mukden, December 30 the Chinese forces were gradually being withdrawn by rail from Chinchow within the Great Wall, while at the same time two streams of the Japanese army were converging on a point only a few miles north of that city.

According to a report circulated by the *Central News Agency*, the Japanese military authorities have adopted the following plans in their invasion of Manchuria: To supply the bandit hordes with arms and use them as vanguards in attacking the Chinese troops; to plan for Japanese troops to push all the Chinese forces inside the Great Wall before January 10; to plan for the Japanese troops to advance on Chinchow along three routes, from Yinkow, along the Peiping-Mukden Railway and through Fahu, Kongping, Tungliao and Changwu, and that when the opportune time arrives, the Japanese troops at Yukwan are to blow up the Peiping-Mukden line; to arrange so that after Chinchow is captured the Japanese troops will concentrate an attack upon General Ma Chun-shan's forces in Heilungkiang Province.

Abolition of Extraterritoriality Is Postponed

The new National Government issued a mandate December 29 declaring that the enforcement of regulations promulgated on May 4 of this year and concerning the taking over by China of jurisdiction over foreigners in China as of January 1, 1932, has been postponed.

The mandate declares that it has been necessary to postpone the abolition of the unilateral treaties because of a series of natural calamities in the various provinces of China.

Regulations providing for the abolition of extrality as on January 1, 1932, were drawn up by Dr. C. T. Wang, the former Foreign Minister, and they were approved by the National Peoples Convention which met last May after the break between Canton and Nanking.

The *United Press* says it is not expected that very much attention will be given to the question of extrality until the questions arising from the Sino-Japanese conflict in Manchuria are on the road to a settlement. In the meantime efforts will be continued to improve prison conditions and to modernise the law courts of China.

Dr. C. C. Wu Makes Statement

The official *Central Daily News* at Nanking Dec. 29, published an interview with Dr. C. C. Wu regarding the extrality question, the abolition of which was to be effective on January 1, 1932, according to a statement issued by the former government in the early part of this year.

Dr. Wu says the new government will shortly issue a statement on the question. He added, "The existence of extrality should not be tolerated in any independent country. The obsolete system has remained in China as a result of incessant civil strife in the country, making the government too busy with internal affairs to attend to foreign relations. Now that China's politics are gradually being guided into their proper channels it will be only a matter of course that the age-old system of extrality will be removed in the very near future."

Japan and Her Gold Standard

BY BEN DORFMAN

MANY combined and interrelated factors were responsible for Japan's following the lead of Australia, New Zealand, India, Canada, Great Britain, Argentina, Brazil, Spain, Finland, Norway, Sweden and Denmark in abandoning the gold standard on December 13th. Among these were the effects of an unbalanced budget, inability to retrench in domestic expenditure or foreign imports, the undermining of confidence in the Government's financial position, the speculative purchase of foreign currencies, securities and staples (amounting to the selling of the Yen "short"), a large "unfavorable" balance of trade, a drop in the "invisible" credit receipts, a Chinese boycott, a decline in silk prices (21% since last year) and silk consumption (only recently), England's going off the gold standard (thus automatically cheapening *for a time* British cottons and freights), Russian competition in the Far East, an enormous gold efflux, an increase in the "excess issue" of notes, the resulting drop in the "ratio" (of reserves to note liabilities), political maneuvering, and business' reaction to a twice advanced discount rate!

In the light of what actually happened, it is interesting to note what some of Japan's leading financiers, business men, bankers and others thought of the likelihood and desirability of Japan's renewing the gold embargo.

Finance Minister "Reassures" the Public

At the thirtieth annual meeting of the Kwangsai bankers held in Osaka on November 25th, Mr. Junnosuke Inouye, Minister of Finance, while admitting that the Government would be obliged to increase taxes and float public loans in order to balance the 1932-33 budget, stated: that there was "not a single reason" for Japan to go off the gold standard; that the heavy gold efflux was due to speculation; that a cheaper Yen would be of only temporary benefit to some few and would lead to inflation; *and that if Japan went off the gold standard she would never be able to stabilize the Yen.* Mr. Hijikata, Governor of the Bank of Japan, who likewise addressed the Kwangsi bankers, declared: that Japan was under no necessity of abandoning the gold standard; that the efflux of gold was due primarily to the necessity of covering advance orders effected prior to the latter part of October, since which time the Yokohama Specie Bank had seriously restricted the sale of dollar exchange; and that the flight of the Yen was not likely. Both Mr. Inouye and Mr. Hijikata expressed regrets that it was necessary to increase discount rates at a time when business was already in a sad plight, but they added, this was necessary to help check the efflux.

On December 8th, Finance Minister Inouye again reassured the public that all was well and that rumours that the Government would control exchange next year were baseless. He said further that he was confident that the gold drain was near its end but confessed an annoyance at the activity of speculators.

More Assurances

On December 11th, Mr. Saburo, head of the Yokohama Specie Bank declared that the fears of America that Japan will suspend the gold standard were very much exaggerated and stated: "...., so it can be seen that there is absolutely no reason for us to suspend the gold standard or to place an embargo on gold. I cannot speak for the Japanese Government, of course, but my deductions are made from the standpoint of a banker."

In addition to the Finance Minister and the Governor of the Bank of Japan, Japan's leading bankers, financiers, and businessmen (with some notable exceptions), the Nichi Nichi and Asahi (two of the leading papers in Japan), people in the higher income brackets, expressed not only the hope but belief (outwardly at least) that Japan would somehow or other "pull through". To be sure, the more wary concluded their forecasts with such qualifications as: "... should there be no break-up in the Cabinet."; "..., i.e., barring continued speculative activity."; "....unless a catastrophe occurs!!"; et cetera. To the credit of most of them, however, it must be said that they were keenly aware of the "grave consequences" that would follow the replacing of the gold ban.

To the oft-asked questions, "Why are we exporting such enormous quantities of gold?" and "Will the efflux cease without governmental interference?", there was no end of explanations and answers, all of which, no doubt, were true in part at least, but even the aggregate of which was neither convincing, consoling nor pacifying. In answer to the first query, it was explained that: (1) Large institutional investors like Japanese insurance companies have been making investments abroad; (2) many Japanese were "buying back" Japanese *dollar* securities; (3) banks were settling for import bills which had piled up during the first six months of the year; (4) banks were building up their foreign accounts to provide for next spring's imports; (5) spinners have been buying enormous quantities of raw cotton because of the abnormally low prices (they were influenced by the possibility of "war", application of "sanctions" and the renewal of the ban, fully as much as by a favorable market, no doubt); (6) the Yokohama Specie Bank has been obliged to repay in gold, loans to foreign banks which the latter had been obliged to "call" as a result of Germany's crisis and Japan's inability to repay with export bills; and (7) speculators have virtually been selling Yen "short" by buying foreign currencies, securities and staples in such enormous quantities as to compel banks to export gold to cover the transactions (this unquestionably was the basic immediate force to bring on the embargo). To the second query, "Will the efflux cease without governmental interference?", there was a "note of optimism struck" by the leading statesmen and bankers. Some of the reasons given for believing that the efflux would cease of its own accord were: (1) the "invisible" credit items were substantial; (2) the twice increased discount rates were already discouraging speculation and hampering gold outflows; (3) banks have been restricting the sale of dollar exchange since October; (4) speculators would soon see the folly of their activity and would liquidate all or part of their holdings; (5) the enormous raw cotton imports now (while prices are low) will lessen the import of this commodity later, the same applying to other staples; and (6) the anti-Japanese boycott in China has "about" turned its peak and Japanese exports will soon start flowing again. Further, it was pointed out, that (7) the gold losses were not really as large as they seemed for they were offset in part by the inflows of gold from China and Siberia.

Few Japanese Leaders Had Delusions

While most of Japan's leaders may have hoped and believed, if one is to accept their public utterances, that Japan would remain on the gold standard, few suffered from any illusions concerning the results that would ensue from a renewal of the ban. Oddly enough, those who felt surest that Japan would remain on were most pessimistic concerning what would happen if she went off. Minister of Finance Inouye, for example, felt—as has been mentioned—that if Japan went off, she would never again be able to stabilize the Yen. Mr. Fusajiro Abe, President of the Tokyo Spinning Co. was likewise very pessimistic and declared that if the new Cabinet replaced the ban, Japan would undoubtedly be forced into the worst state of chaos known in recent years!

But not all of Japan's leaders looked with disfavor on Japan abolishing the gold standard. On December 7th, Mr. Tsuyoshi Inukai, *then* President of the Seiyukai—the principal opposition party to the Minseito—and *now* Premier, declared that the gold standard should have been abandoned long ago and that Japan should have allowed the Yen to find its value in the international market as England has allowed the Pound to find its. (From this statement, it was a foregone conculsion that once Inukai became Premier, Japan would immediately go off the gold standard.) Mr. Seijiro Miyajima, President of the Nisshin Spinning Co., Mr. Motojiro Shiraishi, President of the Japan Steel Tubing Co., and Mr. Seishichi Iwasaki, President of the Tokyo Gas Co., with some qualifications, all thought the renewal of the ban not only likely but not altogether undesirable. Many businessmen, of course, conjured up all sorts of benefits that would follow the abolition of the gold standard: Japan could again make a strong bid for the markets of India, Africa, and the Near and Far East from which she had been partially ousted by the fall in Sterling; she could deal the Chinese boycott a death blow by tempting importers with lower-priced wares; her steamers could underbid in the world's carrying trade; her domestic and export industries would take on a new lease on life; the unemployment problem would be solved; et cetera, et cetera.

Japan's more skeptical, "hard-headed" less sentimental, and perhaps less patriotic business interests, were not led astray by the more or less optimistic forecasts of the Country's bankers and financiers, however. For some time back, they had been engaging in activity which clearly indicated that they not only expected a replacement of the embargo but a handsome profit along with it! Shipping interests had despatched vessels to various parts of the world so that they could bid for the carrying trade at the automatically reduced, post-ban rates; insurance companies and other large investors converted their Yen holdings into Dollar securities or accounts; spinning companies bought enormous quantities of raw cotton (more than one million bales in the past three months!); importers and merchants invested heavily in imported staples; and banks and trading houses converted their Yen accounts into Dollars or Pounds, so far as possible and profitable.

In Government circles, some of Japan's great financial houses were accused of deliberately plotting the fall of the Yen, so that they could (unpatriotically!) profit thereby. They of course denied the charges, claiming that they were merely following sound policy in buying dollars to cover their operations as far in advance as possible. Their feeling was clearly that the Government would be unable to keep the Yen close to its (mint) par with the U. S. dollar for any length of time.

From Japanese sources, it is reported that the Mitsui Bank purchased more than Yen 100,000,000's worth of Dollars; the Sumimoto Bank, Yen 40,000,000's worth; and the Mitsubishi Bank, Yen 20,000,000's worth. With the purchases of smaller institutions, the total invested in Dollars is estimated to have gone well over the Yen 300,000,000 mark. Quite obviously those who (virtually) sold "short" on Yen reaped enormous profits—which in many cases undoubtedly helped the recipients to recoup the losses they sustained when England's going off the gold standard shrunk their Sterling accounts.

The better informed foreign business men and bankers, of course, felt that Japan—regardless of a cabinet change—would renew the embargo sometime before the end of the first quarter of 1932. They, more so than many others, had already felt the effects of the partial and informal embargo that had been in existence since October.

Needless to say, the first official act of the Inukai Cabinet immediately after its installation was to replace an immediate embargo on the export of gold from Japan at 4:30 on the afternoon of December 13th (Sunday). The official text of the embargo is as follows:—

Any persons desiring to export gold coin or gold bullion from Japan must secure the permission of the Minister of Finance. For breaking this regulation the penalty is a maximum of three months penal servitude or a maximum fine of Yen 100. The same penalties apply to those who collect, melt down or disfigure with the object of selling or using gold coin as bullion. This act goes into effect on the day of issue.

No ban was placed on the export either of silver coin or bullion.

Finances Deadlocked

Concerning the replacement of the gold ban, the Cabinet issued the following statement:

Since Japan went off the gold embargo on January 11, 1930, on the decision of the Minseito Cabinet, the nation's finances and economic situation have become deadlocked. Government revenue has fallen rapidly, resulting in a large budgetary deficit. Industry is declining daily, and no ray of hope is discernible on the economic horizon.

The efflux of gold from Japan has mounted enormously, throwing Japan's finances into the abyss of depression. Practically no industry has not been hard hit as a result. Money rates have been increased, and the money market has become extremely light (tight?). If conditions go on unremedied, the financial future of Japan will be deplorable. The Government firmly believes the most effective way to relieve this distress and to remedy industrial stagnation is to replace the embargo on gold shipments. The seriousness of circumstances has led the Government to make replacement of the gold embargo its first task.

In addition to placing an embargo on the export of gold, the Cabinet a few days later suspended the conversion of notes into gold coins. Even prior to the official order, conversion was closely restricted, but people nevertheless crowded the Bank of Japan for the purpose of converting notes into gold coin up to the Yen 50 maximum allowed.

Strictly speaking of course, Japan actually was off the gold standard months ago when she first interfered with the free purchase of Dollars. Since October, the Yokohama Specie Bank had seriously restricted the sale of dollar exchange and the issuance of letters of credit and loans even to regular importers. Further, the Government made it impossible for dealers to purchase forward exchange on New York at quotations anywhere near the mint par of exchange. (1) Even the small depositors with small Yen accounts in even the foreign banks in Tokyo, the National City Bank for example, were not permitted to convert their accounts into Dollars at the Tokyo-New York cross rate. Such transactions were forbidden by the temporary rules of the Minister of Finance. The Government justified its policy on the score that it was necessary, to prevent the flight of the Yen. The author's point here is not that Japan should not have interfered with exchange transactions the way she did, but that having done so, she technically and actually went off the gold standard! No country which measurably interferes with its own in or outflows of gold can seriously lay claim to being on the gold standard (2) Japan had quite obviously learned that the "automatic" checks to gold flows (which economists often yet refer to) do not operate quickly enough—if at all—under present day conditions to prevent a country's losing the whole or practically the whole of its available monetary metal; and so she simply "stepped in" to prevent her specie reserve from dropping below the Yen 500,000,000 mark, the barest minimum below which she felt that her international credit would be irreparably damaged.

Huge Gold Shipments

The gold shipments from Japan during the past year are conveniently divided into three periods. During the first period, which covered the first six months of the year, *all* of the gold shipments were made by two Dutch banks, the Nederlandsche Handel and the Nederlandsche Indische. In their fifteen consignments (which included one made on September 2), these banks shipped a total of Yen 15,200,000's worth of gold. The second period ran from the latter part of July to about the middle of August. During this period, shipments amounting to Yen 50,000,000, in four consignments were made by the Yokohama Specie Bank. The last period began shortly after England went off the gold standard and ended with Japan's following suit. During this period, the Yokohama Specie Bank again shipped gold in the amount of Yen 304,000,000 in 22 consignments. During the whole year then, i.e., up to December 13th when the embargo was imposed, Japan shipped a total of Yen 369,200,000's worth of gold out of the country, Yen 354,000,000 by the Yokohama Specie Bank and Yen 15,200,000 by the two above-mentioned Dutch banks. During the same period, Japan imported from China and Siberia Yen 65,571,000's worth of gold, and sold to the Bank of Taiwan Yen 2,000,000's worth. The net effect of all of these gold transactions then, was to reduce the gold cover against Japan's notes by Yen 305,629,000. This left the Bank of Japan's specie reserves at Yen 520,654,000 on December 5th, the day the last gold shipment was made. (Note following paragraph and foot-note 2). On this same day, its Note Issue was reported at Yen 1,022,952,000; its "Excess Issue" at Yen 798,365,000; and its Loan Advances at Yen 382,298,000. With the increase in the "Excess Issue" and the continued export of gold, the ratio of reserves to liabilities decreased so rapidly that Japan was at last obliged to renew the embargo in order to retain even a moderately respectable "ratio". What remains back of the Bank of Chosen's notes, which have an enormous circulation in Korea and Manchuria, yet remains to be ascertained.

Of interest but of no particular importance is the fact that on December 12th, the Yokohama Specie Bank announced that it would send Yen 30,000,000's worth of gold to the United States on the 15th to settle some dollar accounts. The Finance Minister, a day later, however, instructed the Bank to withhold the shipment as it would force Japan's specie reserves down below the Yen 500,000,000 "safety level" if made. The Govern-

1 As long as there is no existing or anticipated interference with gold flows between gold standard countries, exchange rates cannot normally fluctuate far from the mint pars of exchange.

2 The *extent* to which a country may so interfere and yet remain on the gold standard raises a nice theoretic point for academicians and bank governors!

(*Continued on page 155*)

Will Rogers on the "Situation"—Manchurian and Otherwise

Will Rogers, America's foremost humorist writer, actor and moviestar, recently visited Manchuria for the purpose of investigating the Sino-Japanese crisis. Mr. Rogers writes brief 50-word daily messages for his own syndicate of some 400 leading American papers and in addition is writing a series of articles for the Saturday Evening Post, in which connection he announced that his articles for The Post would be in the form of letters addressed to Senator Borah, Chairman of the Foreign Relations Committee. Declared Mr. Rogers, "I am going entirely over the heads of both State Department and President Hoover and am writing directly to Senator Borah. The following "wise-cracks" have been collected by The Review's staff correspondent in Mukden from Mr. Rogers' writings and addresses while in the Manchurian Capital:—

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"The decision of the League of Nations to send a commission to Manchuria reminds me of an Oklahoma sheriff inspecting a stable after the horse had been stolen.

"I've decided it wasn't Horace Greeley who advised young men to go west—it must have been a Japanese.

"The pound, yen and dollar have gone down, but nothing has sunk so low as diplomacy.

"If I have any special purpose in visiting Manchuria it is to introduce prohibition, due to the great success of prohibition in the United States.

"If I was interested in trying to solve world problems, I would not have left the United States as we have sufficient at home.

"White" Russian Women Are Prettier

"I spent three days investigating the Russian situation in Harbin and discovered how to tell "White" Russians from "Red" Russians—the White Russian women are prettier.

"I am happy to see so many Americans in this part of the world because they all seem to have regular jobs which is more than I can say for those unfortunate enough to have to remain at home—this also goes for Englishmen for conditions are "lousy" in their country too!

"I'm tired of hearing people blame Hoover for the world depression, because I found the Aleutian Islands depressed as I came across the Pacific and I know Hoover was not responsible.

"If Hoover was responsible for the depresion, I want to give him credit for doing a wonderful job for it's the most successful depression that's ever been staged.

"I'm not a member of any Hoover investigating commission and am responsible only to Senator Borah—who has "guts."

"I looked over the Chinese walled city in Mukden and from the amount of poverty decided the people must have been living under a "Republican" administration.

"I find the foreign correspondents in Mukden complaining at the lack of news—just like a disarmament conference.

The "Chosen" People

"As far as I can see there has been about as much fighting in this Manchurian war as there was disarming in the last disarmament conference.

"The Koreans are Japan's "Chosen" people.

"I hope everything comes out all right in Manchuria for as Hoover said, 'Business is just around the corner.'

"I'm for those Japanese air-pilots for they almost permitted me to shake hands with the passengers on the trains as we flew along the Korean railway.

"I don't know what Congress will do about the Manchurian question, because when Congress can't settle anything they just vote it out—they passed a resolution condemning floods in the U.S.A. last year.

"Im neither a Hoover commissioner nor an American observer in Manchuria—I'm merely looking around.

"I assure you I am not knocking Hoover—he doesn't need me.

"I've been to all the disarmament conferences and all they do is argue about the size of guns to kill people with—and usually compromise on 17½ inch ones.

"Harbin was a failure because they only had enough cabarets to run me and the bald-headed American Consul till five o'clock and my train didn't leave until 8 o'clock.

"Cuba is our own local 'Chosen.'

"Cuba is one of the countries we assisted in getting its liberty.

"I even found American 'gold-diggers' in Korea—they use picks and shovels.

One on the Scotch

"On the way across the Pacific I saw a Scotch golf professional knock six balls away out into the ocean—which leads me to believe the depression is about over.

"After drinking two barrels of tea, I have decided how the Manchurian situation looks to me. China owns the lot and Japan owns the house on it. Now who should have the policing?

"China is trying to save her country. Japan is trying to save her investments and the League is trying to save its face.

"I am coming back to Japan some day and am going to bring Mrs. Rogers and show her the geishas. That shows how old I am getting.

"I've seen more pictures of old Fuji-yama than I have of Al Capone and Aimee McPherson.

"I saw old Port Arthur, the birthplace of international Japan and the graveyard of Russia.

"If I can't find the present Manchurian war, I at least found where some old ones were held; hence I am now about two wars behind.

"So this is Mukden where the Chinese army evacuated and the American correspondents moved in. The correspondents have been here so long and are so hard that about half the banditry committed is by them.

"The American correspondents in Manchuria had received no news until I mushed in over the snow and told them the Democrats had marched on Washington and took over the House of Representatives with old Gen. Ma Gardiner in command.

Harbin Lively and Unique

"Harbin is the most lively and unique town—they have Red Russians, White Russians, Green Russians, Chinese Democrats, Chinese Republicans and every form of life there.

"Everybody wants to know how long the Manchurian war will last. I know because Mr. Slepak, the Soviet correspondent has sent to Peiping for his family.

"In Harbin vodka is not a beverage but a necessity and builder of civilization. Don't miss Harbin because it's everything you expect Hollywood to be. I found Russians and Chinese combined and playing Abie's Irish Rose. What more cause could there be for war. Don't miss this town for the American Consul-General is Emperor of Manchuria and I've been appointed Governor-General of North Manchuria by Gen. Ma."

The 1932 Outlook of World Peace

BY SINGNOON M. YORK

THE WORLD has talked more of peace in the past decade than ever before in history. International conferences for disarmament and treaties for outlawing war have flattered Humanity into thinking the Great War of 1914-1918 was the last act of jealousy, of hatred, of bloodshed, of brutality, and of folly. Humanity, indeed, has hoped, dreamed, and even believed. But like a thunderbolt from the blue, Japan unmasked her imperialistic self in Manchuria; the hope has fled, the dream turned into a nightmare, and the belief is crushed to dust. The conferences and treaties which we have believed to be the final curtain to the 'butcher's play,' is merely an *entr'act* leading to a more Homeric, more thrilling, and more bloody scene yet to be presented.

To a keen observer of international relations, the Japanese occupation of Manchuria is not at all a surprise. Ever since the Sino-Japanese War, Japan has been striving to stretch her map out to the Great Wall. The Russo-Japanese War, the Anglo-Japanese Alliance, the Treaty of Portsmouth, the Lansing-Ishii "gentlemen's agreement," the Twenty-One Demands, and numerous minor issues may be linked together as a clue to the 'unruly' conduct of the Kwangtung Garrison. The 'positive policy' has been there *all* the time; the 'drastic action' is only a question of time.

Japan Prepares for World War

The Japanese have told the world that Manchuria is of life and death importance to her. In the face of the fact that she has successfully made herself a world power without Manchuria, her statement sounds rather exaggerated and untrue. What, then, is her real and fundamental motive? A world conquest, someone says, referring to the notorious Tanaka Memorial. This may be true to some extent, but it is too remote to spur Lientenant-General Honjo to extreme measures. For Japan to disregard her international prestige, violate her peace-treaty obligations, dishonor her vows, and stake her lot against the pressure of world opinion, her motive must be immediate, vital, and urgent. Japan is merely preparing herself for the oncoming world war,—a war in which she will be inevitably and inescapably involved.

The Great War taught Japan, as an interested observer, that food supply and mineral resources are just as vital in war as military prowess. The inadequacy of these two elements made military Germany bow before the Allies. Japan has at present an armament that may match that of the United States, her rival in the Pacific. But her agricultural production and mineral wealth is small in comparison with that of America.

Japan possesses too few 'vital elements' to enable her to conduct a war of such magnitude as that which is awaiting her. Manchuria can supply what she will need in the coming conflict. Why should she not seize upon the chance of universal economic depression to lay a free hand on the treasure-store of her weak and disunioned neighbor? Would she wait till it is too late? Hence the unprovoked onslaught, the proprietary occupation, and the open and wilful violation of the peace-treaties to which she has solemnly avowed sincerity. Japan, after all, is only preparing for the coming world war that has been long discernible.

The Preparation for War

A discernible world war! The Powers have done much to bring it within visible distance. The latest budget of the Powers reveals that the total amount per annum of military, naval, and air force expenditure is about G.$5,000,000,000, an increase of about 70 per cent, over that previous to the Great War. In addition to that staggering sum, the Powers have been busily engaged in inventing and manufacturing new, efficient, and much more formidable weapons for war. Why so much expenditure and preparation if they have no intention to break each other's necks? Britain excuses itself on ground of its vast dominions, France because of her position in the Continent; America with its Monroe Doctrine and its interest in the Pacific, and Japan with her 'special position and interest' in the Far East, etc., etc. Every nation, of course excluding the weak ones, seems to have its inevitable excuse and every nation is madly investing its money and energy in armament. On the other hand, the Powers hold conferences and contract treaties to 'show' to the world that they are sincere in maintaining international goodwill and peace. However, the world has good reason to doubt their sincerity as they seem to trust their own 'force' more than their mutual assurance. The failure of the League in her lengthy sessions to uphold justice and peace in Manchuria is the test, not of its inability, but of its insincerity. And insincerity is the root of distrust, of hatred, and of bloodshed.

If the Japanese act of war toward her peaceful neighbor is an international crime, it is not Japan alone that is guilty. The Great Powers of the West should share the guilt with Japan. An unbiased historian of first-hand information will not lay the whole blame of the Great War on Germany. One has but to read Bernard Shaw's *Peace Conference Hints* to know the seed and sower of that unprecedented catastrophe What is true of Germany is no less true of Japan. As a Chinese, the present writer naturally cannot be pro-Japan, especially when the Imperial Government is carrying its Tanakaism to extreme. The truth is that Japan, in the midst of the maddening world-wide whirlpool of war-preparation, is helplessly unable to do otherwise. This is her only justification, if war is ever justifiable, for adopting the 'positive policy.'

Lack Sincerity and Goodwill

The root of war is the lack of sincerity and goodwill. If international peace were ever possible, it will be possible only when this root of sin is destroyed. And this root of sin can be destroyed only when national egoism gives way to international goodwill. How far has the world gone in the direction of goodwill? How much has the world conceded its national egoism? Not long ago, Gandhi was seen sent home from the Round Table Conference with knitted brow. Very recently, the French Government, in the vault of whose banks masses of gold lie idle, has declined the reparation postponement proposal of bankrupt Germany. In China today, the Powers are still holding concessions, clinging fast to their extraterritoriality, cruising their fleet in Chinese waters, and enjoying many other so-called 'treaty rights.' They are still the same old Shylock exacting his pound of flesh wherever a claim may be found. They have founded the League of Nations to uphold justice and peace. The League failed to wash the blood off Japan's hand because its patron-founders find their own hands not altogether free from stain. Spiritually the League is dead though physically it is still alive. It is dead not because Japan has killed its soul but because it has never had a soul. If the Powers were sincere in maintaining world peace and international goodwill, they should show their sincerity in deeds, not in words. They should, first and most important of all, dismiss their absurd ambitions, renounce their selfish rights, put an end to their imperialistic schemes, and halt their mad race toward destruction. So long as there exist concessions, 'unequal' treaties, extraterritorial jurisdiction, tremendous army, naval, and air forces, there will not co-exist peace and goodwill. In other words, to expect peace and goodwill of economic and military imperialism is to gather grapes of thorns. Should the Powers unanimously show their sincerity in deeds, there is no reason why Japan should not withdraw her hand from Manchuria which, though it may be vitally important to her in war, is not requisite to her prosperity in a world of peace. Japan refuses to give up her 'positive policy' because other Powers have not yet shown her sufficient deeds to warrant genuine world peace and goodwill. The root of sin is there, and from the root up-sprouts the bud of disaster.

Dark cloud indicates dirty weather. What is our 1932 outlook of world peace? The answer is: *It Seems Rather Cloudy.*

Shanghai, Dec. 28, 1931.

Delegates to Geneva Arms Conference Selected

China will be represented at the Disarmament Conference at Geneva, which, according to present arrangements, will open on February 2, by: General Huang Mo-sung, who represented China at the last Disarmament Conference; General Yang Chieh, president of the National Military Institute; Admiral Chen Shao-kuan, vice-minister of the Navy; and Colonel Liang Sze-chung, an artillery expert belonging to the Model Military Academy.

Hugh Gibson, the United States Ambassador to Belgium, has been appointed a member of the United Satates delegation to the Disarmament Conference.

Distributing American Relief Wheat in Nanking Area

BY C. Y. W. MENG 孟昭燏

BY the agreement concluded between the American Government and the National Government of the Chinese Republic, the former is to sell to the latter 450,000 tons of wheat to be used for flood relief purposes. The first few shipments have already arrived in China. so it is interesting for us to know how the American wheat is helping the flood relief work.

Mr. D. Y. Lin,
Superintendent of Relief for the Ningshu District, Nanking,

D. Y. Lin, China's foremost agriculturist, now the superintendent of the Flood Relief Work in the Ningshu District, and Director of the Bureau of Forestry of the National Government, when interviewed by the writer of this article as to the syetem of distribution, etc., of the American wheat, explained quite clearly how the relief work is being carried on under his supervision.

He first explained what is meant by the Ningshu District and then told the writer what information he had received concerning the flooded areas in the district. He said, "Our district (Ningshu) embraces six hsien, namely, Kiangning (江寧, which includes Nanking), Kiangpu (江浦), Luho (六合), Chuyang (句容), Li Shui (溧水), and Kao Hsuan (高淳). These six hsiens have an area of about 12,000,000 mow, or 2,000,000 acres.

"According to the information received at our office," continued Mr. Lin, "there are over 581,540 flood sufferers in the entire area, and that means 35% of the total rural population in the six hsien."

"Most of the flooded area consists of rice land. It is estimated that of the 3,505,000 mow of rice land in this district, more than 50% was flooded and a good part of it is still under water," said Mr. Lin. "From the standpoint of severity, Kao Hsuan and Kiangning are the worst, while Li Shui and Chu Yung are the least flooded in the district."

Questioned as to how much of the American wheat Ningshu is going to get, and how the wheat is to be distributed, Mr. Lin said, "I have been promised so far 1,500 tons of wheat for this district, but I expect to get more from our National Office, because our needs here are so stupendous. When, however, the national work of repairing the Yangtse dyke begins, our district will be asked to supply at least 20,000 refugee laborers for a period of five or six months, which means that about 10,000 to 12,000 tons of wheat will be available for feeding the starving people here in the entire district. This Yangtse dyke work will start very soon."

Continued Mr. Lin, "We propose to distribute the 1,500 tons at our disposal as follows: Kao Hsuan 550 tons, Kiangning 500 tons, Kiangpu 200 tons, Luho 100 tons, Li Shui 100 tons and Chu yung 50 tons. We plan to use up this amount of wheat in three or four months, employing daily from 4,000 to 5,000 refugee laborers for our different work projects in the six hsien, while administering at the same time a certain amount of free relief to the destitute who are unable to work. We do not believe, however, in free relief, which generally pauperizes people. We require all able-bodied among the flood sufferers to work for this wheat."

In reply to the question as to what are some of the relief projects now in operation, Mr. Lin said, "Although

Wheat being weighed before distribution.

we have been going on for only a month, we have already started three projects and carried out a scheme of agricultural relief in Ying Hsiang Chen(迎祥鎮), which might be called our fourth project. There will be many more projects started within the next two or three weeks."

"The first project," explained Mr. Lin, "is here in Kiangning, the second in Li Shui and the third in Kiangpu. In Kiangning, that is our first project, we are repairing a road 35 li long extending from Nanking to Shuan-hwa (淳化), along the famous Ching Hwai River (秦淮河). This road which acts also as a dyke for protecting the farms along the Ching Hwai, has been greatly damaged by floods and must be repaired; so immediately after the arrival of the American wheat on November 20 in Nanking we began this work. We have at present 250 to 300 refugee laborers working daily on this road and expect to finish it in three months, which

Showing how the banks of Ching Hwai River have been damaged by the floods. These are being repaired by Ningshu Relief Office.

means that about 100 tons of the American wheat will be required to complete the work on this project."

Continued Mr. Lin, "I might also mention that in order to let as many flood sufferers as possible get the benefit of relief in this and other work projects, we have adopted a plan of allowing the first lot of refugee laborers to work for 10 days, after which their places would be taken by a second lot to work for 10 days, and their places again taken by a third set of workers. After that, the first lot may be given a second opportunity to work for 10 days and so on." In other words, the idea is to give equal and full opportunity and advantage to all the sufferers to work and to get the American wheat!

"In Li Shui we are helping to repair over 1,120 farm houses, which in the opinion of the local people there is their most urgent need. We have supplied them 60 tons of wheat, enough for helping 4,000 laborers that have been employed for a period of 20 days for this repair work.

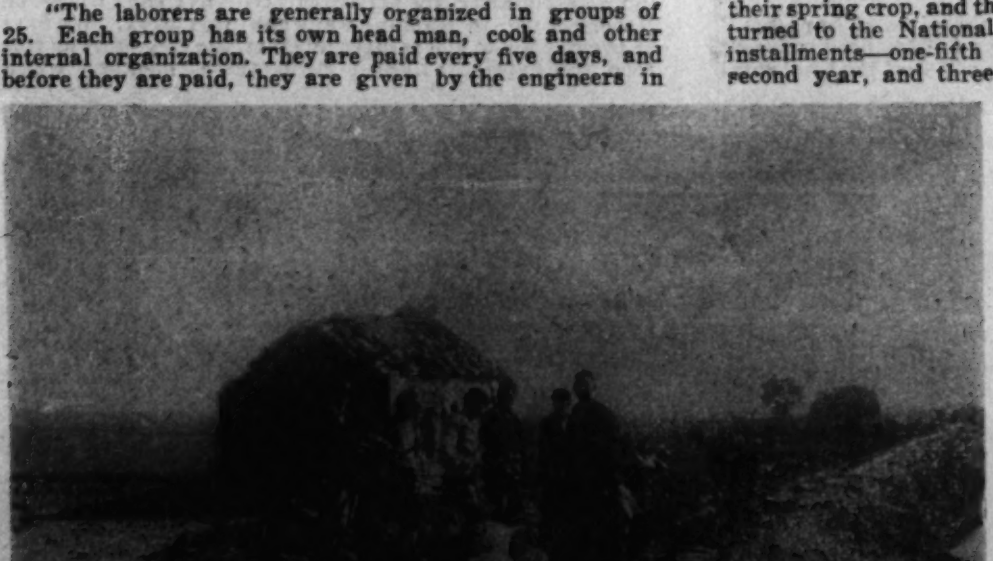
"In Kiangpu we are undertaking a piece of excavation and filling work which requires 300 laborers for a period of three or four months. This happens to be in Pukow along the Yangtse. In view of the great urgency for providing immediate work for the 40,000 flood sufferers in Kiangpu hsien, we have started the work here."

Some of the refugee laborers employed for repairing Ching Hwai River dykes, Ningshu District Relief Office.

In describing how the refugee laborers are organized and recruited and how they are paid, Mr. Lin said, "Our refugee laborers are being paid at the rate of no more than six catties of wheat for ¾ of a *fong* (方) of earth (which in our opinion is equivalent to a day's work) dug from a pit not more than a certain distance from the road or embankment, put in place and pounded hard. Additional carry, or difficulty of soil, will receive proportionately higher pay. For our Li Shui work, however, we are paying only 1½ catties per laborer per day, because the work there is of a private nature, or in the nature of subsidizing refugees whose homes have been demolished by flood.

"The laborers are generally organized in groups of 25. Each group has its own head man, cook and other internal organization. They are paid every five days, and before they are paid, they are given by the engineers in charge tickets showing the amount of work done, and how much grain is due. These tickets are presented at the distribution stores for payment and must be thumb-printed or chopped in token of receipt."

Questioned on the subject of the agricultural relief which the Office had started in Yin Hsiang Chen and the results achieved, Mr. Li replied, "Our work in agricultural relief at Ying Hsiang-chen was only a trial, but it has turned out quite to our satisfaction. We distributed on loan basis seventy tons of native seed wheat (which we exchanged for American wheat) to 1,200 families who farm 14,943 mow of land. According to our arrangement with these farmers who wanted such seed loans, each farm family owning no more than 40 mow, was granted three to ten catties of seed wheat per mow, the smaller the farm the larger the loan granted. It was also stipulated that the wheat must not be used for anything except as seed for their spring crop, and that the amount loaned would be returned to the National Flood Relief Commission in three installments—one-fifth the first year, two-fifths the second year, and three-fifths the third year. Because the flood conditions in Ying Hsiang Chen were exceptionally bad, we did not charge these farmers any interest for the loans."



Flood sufferers at work repairing the Nanking-Kaoshuan road. Ningshu District Relief Office.

"If these seventy tons of seed wheat should produce a good harvest next spring, it means that these 1200 farm families would be taken care of for a period of at least six months during the coming year, concluded Mr. Lin.

Volunteers Deserve Special Mention

From his visit of the Ningshu District Flood Relief Office, the writer understands that the work there is carried on by a group of volunteers. The following constitute the staff of the Offices:—

Superintendent of Relief, D. Y. Lin.

General Affairs Section, Samuel V. S. Shen (Evangelist).

Treasury Section, Lee Dong-chun (Manager, Shanghai C. & S. Bank) L. S. C. Smythe, (Nanking University).

Which Do You Believe? See Mukden Correspondence on Page 133

America Believes Japan Intends to "Conquer" Manchuria

The following is a Reuter telegram from Washington dated Dec. 27:

The notification of the Japanese Government that the military operations in the direction of Chinchow will be continued was received today with marked silence on the part of members of the Government. In diplomatic circles, however, Japan's declaration is interpreted as frank confirmation that Tokyo fully intends to complete the "conquest" of Manchuria.

Japan's explanation of her stand was made in a formal statement after brief replies acknowledging the communications of the British, French and American Governments on the Chinchow question had been delivered.

In this statement Japan declared that so long as the Chinese military authorities at Chinchow continued to instigate and manipulate the movements of bandit organizations against the Japanese army, as well as Japanese and other peaceable inhabitants, so long must the responsibility for any action which may be entailed upon the Japanese army in self-defence rest entirely with the Chinese.

Japanese Premier Says Manchuria Not Wanted Even as a Gift

The following is the gist of a Reuter telegram from Tokyo dated Dec. 28:

"Japan would not accept Manchuria even as a gift owing to the enormous expenditure that would be entailed in defending its extensive frontiers," declared the Prime Minister, Mr. Inukai, in the course of an address to pressmen here today. Asserting that all Japan wants in Manchuria is to protect her treaty rights, Mr. Inukai expressed regret that many Europeans and Americans appeared to be laboring under a misconception regarding the objective of the present operations westward of Mukden. He declared that it was difficult for them to realize that Chinese soldiers and bandits were "often indistinguishable and frequently interchangeable."

A statement reaffirming the policy of the "Open Door" and equal opportunity in Manchuria is to be published by Japan. The Prime Minister has asked the American Ambassador to recognize that the present abnormal circumstances necessitated a temporary, unavoidable interference with trade; but he promised (1) that Japan had no intention of retaining Manchuria; and (2) that she would adhere to her "Open Door" policy and welcome foreign participation in Manchurian enterprises so soon as normal conditions were restored.

Audit and Accounts Section, W. P. Roberts (American Church Mission), S. Y. P. Young (Manager, Chekiang Bank).

Commissary Section, R. C. Jackson (Manager, Standard Oil Co.).

Engineering Section, C. Y. Wu (Expert, Ministry of Railways).

Distribution Section, R. S. Hall (Secretary, Y.M.C.A.)., Theodore Tu (Secretary, Y.M.C.A.).

Agricultural Section, W. L. Ho (Expert, Ministry of Industries), J. L. Buck (University of Nanking).

This group of energetic volunteers are not only giving their time to this work, but also helping to raise the necessary funds to defray some of the administrative expenses in connection with the work. In the Office located in one of the building of Nanking University, Mr. Lin is seen busily supervising and directing the general work for the entire area, while R. S. Hall in charge of recruiting and distribution, is busy tabulating all kinds of flood and refugee records, directing his recruiters in the different hsien, and checking and balancing the distribution of wheat for the different work projects going on. C. Y. Wu, an expert of the Ministry of Railways, in charge of the Engineering Section, is kept busy studying projects and interviewing representatives coming from the country with plans for constructing and repairing damaged roads, dykes and wei-ti (圩堤) found all over the Chang Hwai region. The Commissary work is in the hands of R. C. Jackson and T. L. Chen, who have engaged the Shanghai Bank godown in Hsiakwan (下關) free of charge for storing and distributing the grain allotted to this area.

Showing the kind of tools used by the refugee laborers employed by the Ningsh = Relief Office.

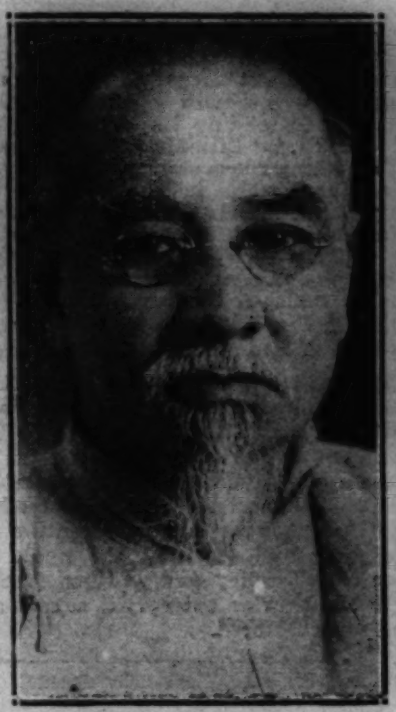
Rigid System of Checking

To effect a rigid system of checking and auditing so that there will be maximum efficiency in all branches of the work, the Office has introduced an Audit and Accounts Section, which performs the functions of not only post-auditing but also pre-auditing all cash and stores payment, vouchers for this work; and for this important work the Office has secured the services of the Rev. W. P. Roberts of the American Church Mission and Y. F. Young, manager of the Chekiang Bank.

Mr. Lin was kind enough to furnish some of the pictures which illustrate how the relief work in Ningshu is being carried out and some of them are produced herewith.

Nanking, December 27, 1931.

The Leaders of the New Government Ist Have Large Mea



Lin Sen, Chairman of the National Government; Veteran Kuomintang Leader from Fukien; Former President of Legislative Yuan, succeeding Mr. Hu Han-min.

Sun Fo, President of Executive Yuan; Standing Committee, C.E.C.; Son of Dr. Sun Yat-sen; Former Minister of Railways; Leading Spirit of New Government.

Dr. C. C. Wu, President of Judicial Yuan; Former Chinese Minister to U. S. A.; Newly appointed Chairman of Kwangtung Provincial Government.

Mr. Chu Cheng, Standing Committee, C.E.C.; Kuomintang Leader from Hupeh; Known as China's "Gandhi."

Mr. Yu Yu-jen, President of Control Yuan; Standing Committee C. E. C.; Veteran Shensi Revolutionist.

Mr. Liu Lu-yin, Vice-President of Examination Yuan; Right-hand man of Mr. Hu Han-ming; Former Publicity Director of Kuomintang Central Party Headquarters.

Installed at Nanking January 1—Southerners Measure of Control

Mr. Wang Ching-wei, Standing Committee, C. E. C. and Central Political Council; Leader of Kuomintang Left Wing; Most Capable Disciple of Late Dr. Sun Yat-sen.

Mr. Hu Han Min, Standing Committee, C. E. C. and Central Political Council; Leader of Kuomintang Right Wing; former President of Legislative Yuan.

General Chiang Kai-shek, Standing Committee, C.E.C. and Central Politicital Council; Retired Chairman of National Government and Commander-in-Chief of National Army, Navy and Air Forces.

Mr. Tai Chi-tao, President of Examination Yuan; China's Buddhist Statesman.

Mr. Chang Chi, President of Legislative Yuan; Former Vice-President of Judicial Yuan.

Gen. Tang Seng-chi, President of Military Advisory Council.

Would a Foreign War Be "Good" for China?

BY PAUL K. WHANG (汪仲芳)

CHINESE students from Peiping, Tientsin and Shanghai recently rushed to the Capital to press President Chiang Kai-shek to go to the North in order to recover our lost territory; some of our ultra-patriotic people, in defiance of hardships and cold weather, started on the way to Hailun to join Gen. Ma Chun-shan in fighting against the Japanese; many of our influential writers have called the nation to arms, because they believe that China should pursue a militant foreign policy; and even some of the most conservative of our people, who have hitherto supported the policy of non-resistance and passivity, are now advocating that it is better to die than to surrender. Thus we are enveloped with an atmosphere of war, notwithstanding our government's repeated declarations that China will by all means resort to diplomatic means to settle the Manchurian embroglio. After three months' patient waiting for a satisfactory solution from the League of Nations, the patience of our people has finally broken down. Now, the fire of patriotism has swept all over the country, and the once lovers of peace have been turned into the worshippers of the doctrine of "Blood and Iron". Disappointed at the League's inaction, the students everywhere have quit their studies and staged big demonstrations. They have heaped all the blame upon their own government, attacked its foreign policy, and pressed it to take strong action, even going to the extent of declaring war against Japan. Under the leadership of students, the public agitation has been at its zenith in the past fortnight, and never in our history has there been a student movement as intensive and universal as the present one. Suffice it to say that the spirit of the Chinese people is growing and China will not yield to Japan's big sword by surrendering her territory without a struggle.

Of What Use Is the Army?

In pursuance of the policy of non-resistance, our National government has lost much of its popularity and strength. Many have flung out the challenge that if the National government, which is formed on the basic principle of nationalism, can not uphold China's national honor by defending her sovereign rights and territory, how can they expect it to abrogate all the unequal treaties as urged by the late Leader of the Kuomintang party? Others have made this criticism: What is the purpose of building up a big army, when that army, after absorbing all the public revenue and leaving the people a heavy burden of taxes, is good only to participate in the domestic fights, but can not fight against a foreign enemy? Still some others have contended that the indifference and unwillingness on the part of our military leaders to fight against our foreign enemy have brought us home to the fact that they are not the leaders of the people but selfish warlords who have raised armies for their personal use. During the past few weeks, much literature has been distributed and many speeches have been made by Chinese intelligentsia with the sole object of inducing the public to denounce the present government policy. Many writers and speakers have with substantial reasons led us to believe that China has the ability to defeat Japan, provided China has the courage and determination to accept the Japanese challenge. Even some foreign writers have assured us without hesitation that China can crush Japan in spite of the latter's strength in army and navy. The students inspired by their patriotism for their country have proclaimed that China should declare war against Japan without regard to consequences simply in order to uphold the national honor and to defend our territory.

Foreign War Needed

While I have no faith in the saying that war is a good thing, I do believe that when we can not bring our enemy to reason by pacific means, we should be ready to make the supreme sacrifice for self-preservation and self-protection. To submit under the great provocation savors of cowardice, and to surrender without a fight serves only to whet the appetite of our enemy. In saying this, I do not mean, neither do I believe, that we are in an advantageous position to beat our enemy, as stated by many other writers. But I am of the opinion that a defeat at Japan's hands will bring benefits to China. Though paradoxical it may seem I set forth the following reasons to support my arguments.

First of all, China needs a foreign war to test the strength of her modern army. For thirty years since the Boxer Rebellion, China has had countless wars, but the combatants have been all Chinese, except the sporadic fights with Russians in the fall of 1929. Some foreign observers of our civil wars have said that China's modern army is a good fighting machine, while other have alleged that it is nothing more than a disorganized unit of bandits. From the defeats of the Sino-Japanese War in 1894 and of the Boxer Rebellion in 1900, the Manchu government eventually learned a great lesson and therefore reorganized its old-fashioned army by establishing military academies, by engaging foreign military advisors, and by sending students to Germany and Japan to receive high military training. Since the overthrow of the Manchu government, China has passed into the rule of militarism. Each warlord in order to extend his sphere of influence has maintained an army as big as the funds he could squeeze from the people would support. Now China has squandered practically all her public income for keeping up a mammoth army, and topped all the nations in the number of soldiers. In recent years, we have heard so much of such crack units as the "Ironsides" and the "Model Army" but we doubt whether these units are as good as their names indicate. As a matter of fact, the real worth of our army will be still an unknown quantity, unless we have a foreign combatant to serve as our test-stone. Thus from the second Sino-Japanese War, even though we are conquered, we can learn another lesson, by which we can improve our present military system so as to better our fighting machine. As the day that right will rule over might is still far off, China, as a nation among the family of nations, must possess sufficient military strength, which, if not stronger, must be at least equal to that of our aggressing neighbor. We can not develop this military strength behind closed doors, nor unless we have the opportunity to measure our strength with a country whose military prowess ranks among the strongest in the world.

Defeat Better Than Misrule

Secondly, China needs a foreign war to develop a strong national consciousness among her people. Japanese invasion in Manchuria has already contributed much to stir up the public feeling and to foster the growth of the spirit of our people. A war with Japan coupled with a defeat at the latter's hand will certainly add fuel to the fire of patriotism thereby developing a strong national consciousness. Through repeated reverses at foreign hands, Japan has finally woke up and built up a country which is now among the world's biggest. Likewise, China needs reverses to awaken the national consciousness of our people. The greater the reverse, the greater will be the reaction upon the people. When the national conciousness of our people has been aroused, we shall have much to say as to what form of government we want and under whom we are willing to submit, and no selfish warlord and politician can usurp the political power without meeting their downfall.

And thirdly, China needs a foreign war to free herself from the evils of continuous internecine warfare. With the ever-present of selfish warlords together with their respective mercenary troops, the peace and unification of the country will continue to be a farce. When a war with Japan is on the scene, these warlords, under the pressure of the people, will be forced to lead their soldiers to the firing front and turn over the control of the administration to the civil authorities. It goes without saying that the casualties on the Chinese side must be very heavy because of the superior armaments of our enemy. Through the heavy losses in armaments as well as in soldiers, many of our warlords will be, as a matter of course, eclipsed from the political horizon. Those who survive after the war will not be strong enough to dominate the political situation, and will possibly be content to live under the grace of our people. The elimination of warlords is the only short-cut way to restore the government administration to civil hands, and ensure future peaceand permanent unification.

In conclusion, I am fully aware of the fact that a defeated China will be burdened with crushing indemnities. But we are tired of the past misrule and of our endless domestic troubles. A defeated China, I think is not as hopeless as a misgoverned China, if from that defeat we can learn some bitter lessons, by means of which we can reorganize our army and reform our government. History gives us many examples in which a conquered country, through the lessons learned from the defeat and after years of preparation, defeated its former conqueror. With the assurance of peace and unification, China can easily redeem herself from the past reverses and rise from the bottom to the top among the family of nations.

Shanghai, December 24, 1931.

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The Japanese Occupation Appraised

BY FREDERICK KUH
(*United Press Staff Correspondent*)

MUKDEN —Establishment of Japan's political and economic dominance in Manchuria is a foregone conclusion in the minds leading American and European business men, officials, traders and bankers, whom the United Press correspondent questioned in Harbin and Mukden.

It is difficult to find two neutral observers here who agree completely on any aspect of the Manchurian struggle. But there is a uniform belief among competent foreigners in Manchuria that viewed with perspective, the Japanese military operations have been designed to crush the last Chinese armed resistance; that the creation of new Chinese governments in the three Manchurian provinces of Fengtien. Kirin and Heilungkiang is the forerunner of a Manchurian central regime in Mukden. which shall be independent of Nanking and subservient to Japan; and finally, that these developments will culminate in a Manchuria, run by and for Japan, with Japanese control of railways, raw materials, agriculture and commerce.

"Manchuria," said one veteran British merchant here, "more than thrice the size of Japan Proper, is about to become a Japanese colony without the formality of annexation."

Opinion is divided among the foreign business community as to the advantage of Japan's supremacy in Manchuria. But foreigners here agree that Manchuria is a prize worth having and that Japan will have it. Some shrug their shoulders; others smile or frown at this fact, as their economic interests or emotions may dictate; but none doubts it.

The Manchurian Prize

Briefly stated, the Manchurian prize encompasses an area about twice as large as Germany, with approximately 4,000 miles of railway, as compared with 5,400 miles in the huge territory of China Proper; it is the world's greatest producer of soya beans,holds rich coal deposits close to the surface iron mines, wheat millet, furs and wool. Moreover, Manchuria is a virgin territory, still in the cradle of development, although its trade has expanded sixteen times since 1906. As a market with 30,000,000 inhabitants, its opportunities havs scarcely been touched and even a slight increase in Manchurian consumption will provide a vast outlet for foreign products.

Japan's proximity, cheap labor, industrious workmen and familiarity with Manchurian conditions yield a natural advantage to the Japanese and economists believe that Nippon could concede an "open door" to foreign competitors in Manchuria without incurring trade losses.

American, British, German, Dutch and other foreign business men in Manchuria are preponderantly of the belief that Japan, even without resorting to a policy of exclusion or discrimination, may soon establish a condition closely akin to a Japanese economic monopoly in Manchuria. Some foreign government and private business representatives here frankly favor Japan's domination, arguing that Japanese development of the Manchurian market will also benefit the trade of other nations, that Japanese influence will serve western capitalism by building a dike against the flow of Soviet influence in China; and that Japan will require capital from the west in order to develop Manchuria. They expect Japan to stamp out banditry, prevent civil war and stabilize the currency creating more orderly conditions, from which all would derive benefit. A leading representative of the Japanese government, expounding Japan's case to the United Press correspondent, even went to so far as to suggest that, by opening the markets of Manchuria, Japan may contribute largely to solving the world's economic distress.

How the Occupation Is Viewed

Foreign business men, cavassed by the *United Press* correspondent, seemed indifferent or favorable to Japanese hegemony in Manchuria only when they were dealing in commodities which do not face Japanese competition. Certain British and American oil men in South Manchuria were deprived of business when the Japanese occupied and closed the Chinese arsenal in Mukden. In North Manchuria, however, the Standard Oil, Royal Dutch Shell and Texas Oil Co. representatives, aware that Japan is no rival in oil-production, believe that Japan will improve their markets and aid them in fighting their real competitor, the Soviet Naphtha Syndicate. In 1930, Standard, Shell and Texas controlled 75 percent of the Manchurian oil sales, while Soviet oil provided most of the remaining 25 percent. Today, though, the tables have been turned and Soviet oil supplies three-fourths of Manchuria's market, leaving the three Anglo-American oil giants to struggle for the remaining, paltry one-fourth. The latter believe, rightly or wrongly, that Japan will assist American and British oil firms to recapture their lost Manchurian strongholds as one means of courting friendship in Washington, New York and London.

A similar situation exists in the market for agricultural implements, for which the International Harvester Co. held 75 percent of North Manchurian markets until 1930, but found that the Soviets, selling small plows, mowers and some reapers and threshers at half the price of their United States competitions, have secured half of the entire market. As yet, Japan is no rival in this field and, here again, American exporters hope for Japan's aid in fighting Soviet exports. Some dealers expressed a premonition that Japan may itself start producing agricultural implements and enter the Manchurian field soon.

Finally, United States automobile producers and manufacturers of road machinery, with no Japanese competition in the field, believe that Japan will enlarge their sales by building roads and expanding indusry in Manchuria, increasing the demand for automotive products and road-construction machinery.

Many of the foreign commercial agents, who are indifferent to a Japanese-controlled Manchuria, are prompted by a deep-rooted hostility to the Soviets and by the belief that Japan is destined to be the vanguard in a coming anti-Soviet war. This attitude is especially prevalent among American and British business men in Harbin, whose office employees and social life are largely confined to Russian white emigrants. These pioneers of American and British commerce, occasionally encouraged to do so by Japanese officials, see in Japan an ally against Soviet trade and bolshevik ideas.

But a growing section of the foreign business community here is convinced that Japanese supremacy in Manchuria will gradually doom all other foreign enterprise. They recall Japan's virtual monopoly of trade in Korea and, while not expecting Japan openly to annex Manchuria as it did Korea, they anticipate a similar commercial situation. The most recent available records divulge that Japan receives 90 percent of Korea's exports and supplies 75 percent of Korean imports. Foreign concerns fear that Japanese influence will lead to a similar trend in Manchuria and that most foreign concerns which have been buying and selling in Manchuria will gradually pass out of the picture.

Many Competitors Undermined

Japan's ability to produce cheaply and avoid heavy transportation costs has already undermined the position of many competitors in Manchuria; Japanese underselling, for instance, has forced British cotton prints and woolen yarn out of the Manchurian market. The United Press correspondent met the able representative of a Bradford, England, woolen yarn producer who arrived in Manchuria hoping that a local boycott of Japanese goods would enable his British firm to recover its lost customers. He departed after a few days, however, convinced that Japanese products, once having secured a Manchurian foothold, could not be rejected from Manchurian markets.

With Japan in control of virtually all Manchurian railways, excepting the Sino-Soviet Chinese Eastern (which will probably soon be condemned to run at a heavy deficit), foreign business men told the United Press that nothing can prevent the Japanese from influencing freight-rates in favor of Japanese merchandise. Such methods, if employed, are expected to place American, British and other foreign trade in Manchuria almost completely at Japan's mercy.

Neutral business men here, none too happy about expected developments, also believe that Chinese merchants in Manchuria will buy Japanese goods because they are cheaper; that Japanese firms will naturally turn to the home country for their wares; and that British and other neutral merchants, now dealing in products of British and American origin, will soon be at a loss to compete with the Japanese.

Several incidents during the Manchurian conflict were regarded as weathervanes, indicating the direction in which commercial winds are blowing. A contract between the Japanese-owned South Manchuria railway shops and the Mukden-Hailun railway called for delivery of thirty passenger cars, to be built partly with American material.

This contract was later changed to read that only Japanese material may be used.

Protests from Andersen, Meyer & Co., Ltd.

Complaints were registered through the American consulate in Mukden by the American firm, Andersen, Meyer & Co., Ltd, (New York and Shanghai), which had delivered electrical equipment to the three new Chinese power plants in Antung, Mukden and Changchun; when the Japanese invaded Manchuria, they took possession of all three plants, leaving the American firm with a third of the money for its electrical equipment unpaid.

Several important German firms were also unable to make collections for goods delivered, once the Japanese had established themselves in Mukden. The Mukden arsenal had been a lucrative customer for Germany; besides chemicals for the manufacture of munitions, German concerns had been supplying tool machines, railway equipment and woolen goods. It is said that the Germans were hardest hit and were left with bad debts, totalling several million dollars, when their Chinese customers "took to the hills" or found their business halted under the Japanese occupation.

A large New York bank, with branches in Manchuria, promptly felt the pressure of Japanese competition this autumn and winter. The manager of one of its offices explained that Japanese firms suddenly began insisting that all business be done through Japanese banks. On various occasions the *United Press* correspondent learned of efforts by Chinese authorities and bankers to induce United States capital to enter Manchuria, the Chinese hoping that this might offset the influence of Japanese financiers; but the Japanese, with nearly one billion dollars already invested in Manchuria and able to exert pressure on the local Chinese seemed determined to block any such move.

A Protest from Kuala Lumpur Against Selfish Politicians

To the Editor, *The China Weekly Review*:—

The reason why China is so weak and is in a chaotic state is that she is today governed by militarists who are merely seeking for money and personal honor. These militarists have very little education, even in Chinese, and know nothing about administering a country. They have swindled the public of their money and have made China a bankrupt state today. The fact that China has so many bandits and communists is due to the continual civil war, which have caused many poor peasants to become discontented with the Government, owing to their farms being destroyed and the various unlawful taxes they have had to pay.

In order to save our country we must put down the power of the militarists and eliminate all the unscrupulous and selfish politicians, who are only parasites. We should demand an immediate reform of the Government. The administration of the country should be done by civilians who are qualified and trustworthy. The army should be under the supreme command of one man and should not interfere with the political affairs of the country.

Had the money that had been spent in civil wars been spent in fortifying our ports and towns and building up a strong defense, our country today would not have been bullied by another country.

I hope therefcre that every Chinese will wake up and realising our acute national crisis, will try to find ways and means of saving our country from being ruined by these corrupt Government officials and foreign aggressiors.

A PATRIOT.

Kuala Lumpur, F. M. S., Dec. 11, 1931.

Gandhi Arrives Back in India

Mahatma Gandhi received a rough welcome when he landed at Bambay Dec. 28 on his return from the Indian Round Table Conference in London. His arrival was the signal for an attempt by 1,000 "untouchable" volunteers, armed with lathis and carrying black flags, to stage an anti-Gandhi demonstration on the pier. Twelve were injured in a clash with Congress volunteers before the police disarmed them. "If a fight becomes inevitable, I invite you to be ready for it." This was the sensational statement made by Mr. Gandhi in a public speech he delivered at Bombay shortly after his arrival.

He added: "I will not give up attempts to save the nation from the fiery ordeal, but if there is no single ray of hope I will not flinch from inviting you to undergo any amount of suffering." He warned his hearers that they would have to face bullets, not clubs, this time.

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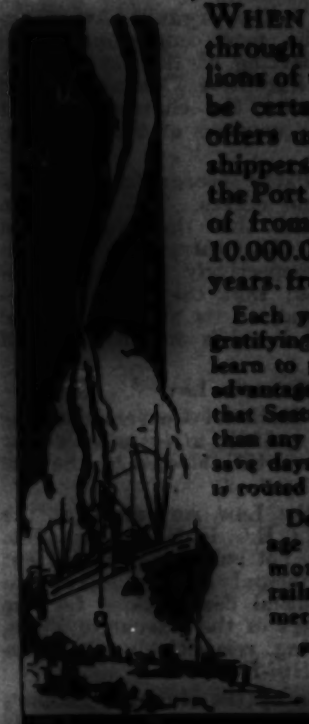

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Important Amendments to National Government's Organic Law

An important amendment to the Organic Law of the National Government was the most important result reached at the 3rd general meeting of the 1st Plenary Session of the 4th Central Executive Committee held at Nanking December 28, under the chairmanship of President Yu Yu-jen with 100 members of the two Central Committees in attendance.

A proposal concerning Party reorganisation was submitted by Ku Meng-yu and others. The resolution adopted at the meeting provides that the Organisation and Publicity Departments of the Central Party Headquarters shall be converted respectively into Organisation and Publicity Committees; that the Training Department shall be abolished and, in its stead, a special committee for the direction of People's Movements shall be established.

Amendment to Organic Law

The Organic Law of the National Government was first promulgated on October 4, 1928, after adoption by the 5th Plenary Session of the C.E.C. elected by the 2nd National Congress.

The first amendment to the Law was made at the 4th Plenary Session of the 3rd C.E.C. in November, 1930. This amendment was, however, not only unimportant but somewhat anomalous, the principal change introduced being a modification of the official designations for the "State Council" and the meetings of the Executive Yuan, (the changed designations being respectively *Kuo-Min-Cheng-Fu-Hui-I* and *Kuo-Wu-Hui-I*).

Following the promulgation by the National People's Convention of the Provisional Constitution in May this year, another amendment to the Organic Law was made in June at the 5th plenary session of the 3rd C.E.C. The main purpose of this amendment was to bring the Organic Law in line with the Provisional Constitution. By virtue of this amendment, the powers of the President of the National Government were considerably enlarged, making his position, in effect, similar to that of the President of the United States of America. He was made not merely the titular, but the real, Chief Executive.

The new amendment which was adopted at yesterday's meeting is designed, as has been previously reported, to bring about a remodelling of the National Government along the lines of the Cabinet system. Under the new Law, the President of the National Government is titular head of the state but has no actual political responsibility. His function is somewhat similar to that of the President of France or Germany. The real executive will be the President of the Executive Yuan, who, in conjunction with his various ministers, will carry out the executive functions of the Government, somewhat as a cabinet under the British or French system.

Powers of the Yuans

Another important principle introduced by the amendment is the separation of power between the five Yuan, an express provision, which was lacking in the old Law, being inserted providing that the five Yuan shall be mutually independent and co-ordinate departments of the Government.

Other important features of the amendment to the Organic Law are as follows:—

1. One-half of the membership of the Legislative and Control Yuan shall be elected by people's organisations.

2. The principle of ministerial responsibility is introduced, it being expressly provided that all orders of the President of the Executive Yuan, in order to be valid, must be counter-signed by the Head of the Ministry concerned.

3. The anomalous designations of *Kuo-Min-Cheng-Fu-Hui-I* and *Kuo-Wu-Hui-I* are discarded, the former being known simply as meetings of the National Government Committee (*Kuo-Min-Cheng-Fu-Wei-Yuan-Hui-I*) and the latter as meetings of the Executive Yuan.

4. The President of the Judicial Yuan will be *ex-officio* President of the Supreme Court.

The amended Law consists of a total of 54 articles, divided into nine chapters, namely, (1) General Principles, (2) National Government, (3) National Government Committee, (4) Executive Yuan, (5) Legislative Yuan, (6) Judicial Yuan, (7) Examination Yuan and (8) Control Yuan; and (9) Appendix. The chapter on the President of the National Government, in the old Law, has been merged in that on the National Government.

Amended Law

The following is a translation of the more important articles embodying amendments in the Law:—

Art. 10.—The National Government shall have a President and from 24 to 36 State Councillors, and each of the Yuan shall have a President and a Vice-President, who shall be elected by the Central Executive Committee of the Kuomintang of China.

(Note.—The number of State Councillors, as provided by the old Law, was from 16 to 32).

Art. 11.—The President of the National Government shall be the Head of the Republic of China and shall represent the State both internally and internationally. But he shall have no actual political responsibility.

Art. 12.—The President of the National Government shall not hold any concurrent governmental post.

Art. 13.—The President of the National Government shall hold office for a term of two years, but shall be eligible for re-election: provided, however, that in the event of a Permanent Constitution being promulgated, a new election shall be held according to Law.

Art. 14.—All Mandates of the National Government and orders for mobilisation of military forces shall be issued upon the signature of the President of the National Government: but they shall not become effective unless countersigned by the President of the Yuan and the Head of the Ministry concerned.

Art. 15.—Before the promulgation of a Permanent Constitution, the Executive, Legislative, Judicial, Examination and Control Yuan shall be severally responsible to the Central Executive Committee of the Kuomintang of China.

Art. 16.—The meetings of the National Government shall be attended by the President of the National Government and the State Councillors.

(Note:—Under the amended Law, there will be no *Kuo-Min-Cheng-Fu-Hui-I*, which was really only an anomalous way of calling the meetings of the National Government Committee).

Executive Yuan Meetings

Art. 23.—The meetings of the Executive Yuan shall be attended by the President and Vice-President of the Yuan, the Heads of the various Ministries and the Chairmen of the various Committees. The President of the Executive Yuan shall preside at such meetings.

(Note:—For *Kuo-Wu-Hui-I*, which was really nothing more than an arbitrary way of designating the meetings of the Executive Yuan, the new Law has substituted the more logical designation of *Hsing-Cheng-Yuan-Hui-I* (meetings of the Executive Yuan).

Art. 25.—All orders and acts of disposition of the Executive Yuan, in order to be effective, must be counter-signed, in respect of those affecting general administrative affairs, by the entire body of Ministers; and in respect of those affecting only one ministry, by the Minister concerned.

Art. 30.—The Legislative Yuan shall have from 99 to 100 members, who shall be appointed, according to Law, by the President of the National Government at the instance of the President of the Yuan.

One-half of the members mentioned in the preceding paragraph shall be elected by legally constituted people's organizations. The law governing such election shall be determined separately.

Art. 36.—The Judicial Yuan shall have a Supreme Court, and Administrative Court and a Committee for the Disciplinary Punishment of Public Functionaries.

Art. 37.—The President of the Judicial Yuan shall serve concurrently as President of the Supreme Court; and the Vice-President of the Yuan as concurrently Chairman of the Committee for the Disciplinary Punishment of Public Functionaries.

(Note.—The old Law contains no provision regarding the internal organisation of the Judicial Yuan).

Art. 48.—The Control Yuan shall have from thirty to fifty members, who shall be appointed by the President of the National Government, according to Law, at the instance of the President of the Yuan.

...e and Reconstruction

Native Goods Exhibit Opens January 1

...ilitat the assistance of the Shanghai Hsien or District Government, the first Chinese Native Goods Exhibition was ...ened on Jan. 1 in the District Educational Institute for ...ers on Fooling Road. The Exhibition is held for the ...ed purpose of showing the advantages of using Chinese ...ds and of arousing popular interest in native goods ...ufactures. It will last a week and will be open to the ...blic from 9 a.m. to 5 p.m.

Chinese Merchants Suspends Sailings to Northern Ports

...Owing to the sudden appearance of Japanese new ...ships, indications in Tientsin and possibilities of develop... ...ts advantageous to peaceful trade and commerce, the ... Steamship Steam Navigation Company has decided ...ppend its regular North Coast Sailings beginning from ...ec. 25. The Haimun Haising and other vessels plying ...tween Shanghai and Tientsin will be transferred to the ...South Coast Sailings, while the steamer Haimun will be ...ployed in sailings along the Yangtze to transport wheat ...ntributed relief for the National Government.

Increased Charges of Shanghai Power Company Effective January 1

...Certain increases in the charges of the Shanghai ...ower Company, as approved by the Shanghai Municipal ...ouncil on Nov. 9, last year, will become effective on ...an. 1 this year, according to a report in the *China ...ress*. Increases in cost of fuel, the effect of the embargo ...n increasing the cost of imported plant, higher customs ...uties, increases in salary of members of foreign staff ...ecause high cost of living etc., were cited as reasons for ...he so-called "tax added tariff" charges by the power ...ompany. However, the increased charges are considered ...y the Council as temporary measures until improved conditions will ...ermit a general rate revision may not be found ...ecessary.

Considerable Progress Made By Air Society in Fukien Says Hsu

...Considerable progress has been made in the work of the ...National Aviation Association at Changchow, Fukien, ...ccording to Hsu Tsun-Tsun, director of the Association, ...ho is in Shanghai appealing for support of the ...ssociation in local government and commercial circles. Gen. ...Chang, a division commander of the National Army ...n the Association has recently ordered fourteen ...ighting planes from abroad. Mr. Sung, under ...nstruction from Gen. Chang, is applying for permits from the ...Ministry of War for transportation of these aircrafts to Changchow for use of the ...Association. Meanwhile, Mr. Sung is consulting with the ...British, American and German aircrafts merchants in ...connection with the establishment of a factory for the ...assembling of airplanes under joint administration of ...Chinese and foreigners.

Showing Huge Deficit of $10 Millions in 1932 Budget

...In view of drastic reductions in the Government ...expenditures, the national budget for the year of 1932 as ...prepared by the Ministry of Finance is facing a huge ...deficit, according to a *China Press* telegram ...from Nanking on Dec. 28. The report states that the total ...revenue collected by the Ministry of Finance for November ...last year was $4,000,000 which marked a considerable ...decrease as compared with receipts of previous months. ...Among these items of the revenue are the customs ...duties, consolidated tax, stamp tax, wine tax, ...salt revenue tax, etc. Minus appropriations for ...the fund for redemption of capital and payment of ...interest of the various Treasury loan bonds, the net income ...is estimated between $4,000,000 and $7,000,000. ...The collections of the month of December for which ...no reports are anticipated, revenues for the ...month in 1932, it is predicted, will also come in ...low. Even with the military and ...political expenses slashed to the amount of $22,500,... ...of the new budget for 1932, it is forecasted ...that the Treasury will have to face a deficit of ...$10,000,000.

New Air Route in China's Northwest Blazed by Eurasia Men

Li Chieh-sung, director of the Operations Department of the Eurasia Aviation Corporation, who recently hopped off from Shanghai on board the mail plane Eurasia No. 1 for a trial flight to the North-west, reported his safe arrival at Tihua, provincial Capital of Sinkiang, on the afternoon of Dec. 29, after an uneventful trip from Peiping. The trail blazed by this pioneer flight covers a distance of 1,300 miles from Nanking, the greater part of which has never been traversed by an airplane. Mr. Li expects to proceed on the airplane to Tacheng and then Li both in Sinkiang near the Sino-Russian Border, after a few days in Tihua, returning to Nanking this week. With the unqualified success of the initial flight, it is anticipated that the program of the Corporation will be realised by March this year, when a regular airmail and passenger service will be operated between the sea-coast and the Northwestern border.

Pootung Eclectric Co. Given Award for Efficient Service

The Pootung Electric Supply Company, Pootung, Shanghai, claims the distinction of being the first electric enterprise in Kiangsu of receiving a certificate of Merit of Ist Order from the National Government for marked efficiency in organization and service. The Company has been operated for past ten years under a Government franchise and provides practically the total current of Pootung area. The efficient organization and service maintained by the Company is considered a great achievement in view of its later establishment as compared with other electrical companies. In this connection it may be pointed out that the Chinese Government recently started a campaign for a thorough overhaul and inspection of all licensed companies in the country with a view to ascertaining the merits or defects of the organization and provide a logical basis for their improvement and standardization.

Shanghai Telephone Company, Authorized to Instal Extra-Road Phone Service

According to a report in the *China Press*, the Bureau of Public Utilities of the Greater Shanghai Municipality has promulgated an agreement to be shortly signed between representatives of the Telephone Administration of Ministry of Communications and the Shanghai Telephone Company, authorising the latter to supply telephone facilities for the residents of the Extra-Concession roads during the transition period, pending taking of the business by the former. The agreement was scheduled to be signed on Dec. 31, 1931. The contract was drawn up following the lines mutually agreed upon at a conference between representativef from the both contracting parties on October 23 last. The report added that the Chinese and Foreign Telephone Company, of the Shanghai Telephone Company, had been authorised to install phone service in the Extra-concession districts by a contract concluded with the Telephone Administration of the Ministry of Communications. This contract expired on Dec. 6, 1931 which necessitated the conclusion of the present new contract.

Yokohama Specie Bank Sustains Heavy Losses in Gold Shipments

A *Reuter* dispatch from Tokyo on Dec. 31 reported that a sensation in banking circles has been caused by the reported discovery that the Yokohama Specie Bank, between the time Britain abandoned the gold standard on Sept. 21 to mid-October when the Bank ceased selling Yen, it sold approximately Y. 510,000,000 instead of only Y. 334,000,000 as announced by Finance Minister Mr. Inouye of the late Cabinet. According to reports in Tokyo papers, the actual amount of gold so far shipped in payment by the Specie Bank is Yen 334,000,000, the balance, Yen 170,000,000, having been contracted for but not yet shipped. Therefore if the Yen declines by 20 per cent compared with its price before the imposition of the gold ban the Specie Bank stands to lose the enormous sum of Yen 50,000,000 on exchange. However, as it has acted under instructions of the late Government through the Bank of Japan the loss is expected to be borne equally by the Government, the Bank of Japan and the Yokohama Specie Bank.

Old Before His Time!

Worn out with the struggle to provide a life of greater happiness for his children than ever he had himself! There are thousands like him, men of middle-age who are prevented from enjoying the fruits of a lifetime's labour by ill-health, prematurely aged by the depletion of their nervous energy. Such men need a course of the famous blood-building, nerve strengthening tonic

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Soldiers Busy Building Roads in Fukien

Since the taking over of the garrison of the city of Futsing, Southern Fukien, by Gen. Ling Seng, a program of extensive road building has been launched in the district by soldiers under Gen. Ling's command, according to a dispatch in the *Shanghai Evening Post* from Futsing. Up to middle of Decemcer last, a splendid network of roads has been planned and partially completed, by which inland regions rich in commodities for export can be serviced by trucks to Hai Kau, port of entry to Futsing and there shipped to Amoy and Shanghai.

The most important piece of road building projected is the completion of the six mile stretch on the Foochow-Amoy road. After this is completed it will be possible to travel all the way from Foochow to Amoy by motor car, thus opening up entirely new possibilities for trade and communications between north and south Fukien.

The Deng Diong region rich in bamboo and charcoal, is to be connected with Hai Kau by a fine 36 feet wide road. This new road will greatly contribute towards the growth of the port of Hai Kau, as it handles these two commodities for export from Deng Diong.

From Hai Kau south, the road runs through Lung Tien and Go Sang-che, rich market towns, in the heart of a most fertile region of this part of China. Their products, rice, sweet potatoes, and peanuts, will thus become more easily and more profitably handled for export, as this region can raise far more than it needs for its own consumption.

From Hai Kau north, the road also runs through a rich agricultural region running as far as Sunga, in Diong Loh country. In time, the road will be continued from there to Pagoda Anchorage, the port of entry to Foochow.

China Organizes Bureau to Promote Foreign Trade

The Bureau of Foreign Trade, organization of which has been in progress since last spring by order of the Ministry of Industries of the National Government, was formally established in Shanghai on Dec. 18 with Dr. P.W. Kuo as the director. The new institution which was created by the last official act of the outgoing administration at Nanking is in fact an enlarged and reformed organization of the former Bureau of Industrial and Commercial Information. With its offices on the 4th floor of the Customs Building. According to regulation governing the organization and activities of the new Bureau as drafted by Dr. Kuo and approved by the Legislative Yuan, it is to be composed of four departments. One will concentrate upon measures for promoting foreign trade, including the investigation of likely markets for Chinese produce and manufactures, and providing information to Chinese and foreign merchants investigating business possibilities.

Another department will deal with statistics relating to industrial production, export and import trade, and financial and commercial conditions in China and foreign countries. A third section will take charge of publicity work, including the publication of the various Chinese and English periodicals formerly issued by the Bureau of Industrial and Commercial Information and will undertake in addition the preparation of various other publications pertaining to foreign trade and its development. The fourth department will be concerned with the business management of the Bureau of Foreign Trade.

The regulations include provision for the appointment of prominent Chinese businessmen and experts on economic subjects as honorary advisors. Among well-known men who have consented to assist the Bureau in this capacity are Mr. Chang Kia-ngau, Dr. K. P. Chen, Dr. Y. C. Ma, Dr. D. K. Lieu, Dr. Franklin Ho, Mr. S. D. Ren, Dr. T. Chen and Dr. K. W. Shaw.

Suggested Plans for Financial Reform Approved by C.E.C. Session at Nanking

To prevent graft and other abuses inherent to the existing system of financial administration, the First Plenary Session of the new 4th Central Executive Committee on Dec. 25 last adopted the general principles of a proposal submitted by Chiao I-tang and others for the reorganization of the present financial machinery. The main feature of the proposal is the provision made for the establishment of a system of independent financial control and supervision. Other recommendations include. 1. Government officials responsible for the custody of public funds or in charge of revenue collection, shall be required to deposit cash securities with the National Treasury in order to prevent speculation and misappropriation; 2. collection of all taxes, levies, etc., in a given locality shall be entrusted to a single organ so as to ensure centralization of administration and increse efficiency and 3. The Central Bank shall not be under the direct jurisdiction of the Finance Ministry but shall occupy an independent position so that it may carry its functions more effectively.

Another important proposal adopted at the same Session aims at the stabilization of the domestic bonds. According to this proposal, all banks of issue must keep a 100 per cent reserve against their note-issues, that is, 60 per cent in cash reserve and 40 per cent in securities. Banks violating this rule shall be deprived of their privilges of issuing notes. In order to prevent concentration of the bonds in the hands of few banks, all financial institutions throughout the counrty, teher than banks of issue, shall be required to purchase domestic bonds amounting to at least ten percent of their total capital. To stabilise the value of the bonds, a special fund shall be established for the purpose of forming a special organization which is to be under direct supervision of the Finance Ministry.

The reported proposal recommending a moratorium on domestic bond payments which has aroused wide protest in the business circles, has been withdrawn by the proposers and definitely abandoned.

Puppet Mukden Government "Squeezes" British-American Tobacco Co.

The special correspondent at Mukden for the Shanghai *Evening Post* telegraphed Dec. 25 that the new Manchurian independent governor, Tsang Shih-yih, had stationed guards about the the premises of the British-American Tobacco Company, to prevent shipments of cigarettes from factories or warehouses owned by the company. This action completely blocked the company's extensive business in Manchuria. The British-American Tobacco Company is the chief customer in the Far East of the American Leaf Tobacco Company, and is the chief dispenser of the American and British cigarettes.

Governor Tsang refused to make any statement regarding reasons for blocking the company's business. Armed guards around the premises claim, however, they are acting in accordance with orders of the Japanese financial adviser of the Fengtien Independent Government. It is understood complications arose, due to the refusal of the Manchurian administration to accept revenue stamps which the British-American Tobacco Company purchased from the Central Government under the tax arrangement made with the Nanking Government during the regime of Marshal Chang Hsueh-liang.

For a few weeks following the Japanese occupation, the tobacco company marketed its products with the Central Government revenue stamps but when the supply was exhausted, the new regime established under Japanese auspices, demanded payment of the stamp taxes at Mukden instead of at Nanking. This the company refused, on the grounds that the independent regime at Mukden lacks legality.

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Bus Company in Shanghai Experiences Short-lived Strike

The British bus company which operates in the Foreign Settlement of Shanghai experienced a short strike of employees commencing with Christmas Day, following its dismissal of a conductor named Tsang Nyium. With the aid of Russian and Korean employees, the company, however, soon began operating a skeleton service on some of the routes, and by arrangement with the Municipal authorities stationed a policeman on each bus. The bus company adopted a firm attitude from the beginning. Their immediate ultimatum to the striking employees was: either continue your work or leave the company's employ. The discharged conductor who fomented the strike was arrested. The strike came to an end December 28, the strikers returning to work unconditionally.

Ninety Percent of Added Water in a Shipment of Frozen Eggs

Judgment was given in the Shanghai Special District Court last week for a sum exceeding a hundred thousand Mexican dollars in favor of a London firm of importers called the Eastern Overseas Products Co. against the United Packing Company, owned by Yue Wen-hao, Peking road, Shanghai. The dispute revolved around a shipment of frozen eggs made almost a year ago. When the 282 tons of frozen eggs arrived in London they were certified by the British Health authorities to contain 90 per cent of added water. The whole shipment was condemned. The Chinese defendant produced a certificate issued by the Products Examination Bureau, operating under the Bureau of Industries. The Court pointed out that the certificates referred only to samples and could not be used to prove that the shipment as a whole was good.

H. B. Campbell

1265 Bubbling Well Road
(near Seymour Road)
Shanghai

A STIFF RACE....

ENTERING THE STRAIGHT!

When the International Telephone and Telegraph Corporation took over the Shanghai Mutual Telephone Company in August, 1930, a promise was made to the Advisory Committee to have in the Exchanges Automatic Equipment for 17,000 lines within a period of eleven months; to increase that number by another five thousand lines, a month later; and within a period of eighteen months from the start, further to increase the number to a total of 28,000 Automatic Lines. There was the further promise that by August, 1932, there would be in the Exchanges a grand total of Automatic Equipment for 41,000 lines.

It is a stiff race, but a glance at the accompanying graph will reveal that Performance is actually ahead of Promise.

Still the race continues....

SHANGHAI TELEPHONE COMPANY

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New Books of Interest in the Far East

Japan's Futile Struggle

Japan's Economic Position, by John E. Orchard, Associate Professor of Economic Geography in the School of Business of Columbia University; Prepared under the auspices of the Council for Research in the Social Sciences of Columbia University; Published by Whittlesey House, McGraw Hill Book Company, Inc., New York City.

So far as this reviewer is aware this is the first and only survey with any pretense to completeness of the economic aspect of modern Japan, and it leaves little, if anything, to be desired insofar as presentation of essential factual material is concerned except of course, developments of the year since it was prepared. It is written in a spirit of detached impartiality, but the facts it presents makes it a far more damning indictment of Japan than anything a propagandist could prepare. Obviously, the book is especially significant at the present time, and it is a volume every literate Chinese should promptly read, then re-read and study thoroughly. And it also should be immediately translated into Chinese for the benefit of those who do not understand English. For Professor Orchard gives an amazingly complete "lowdown" on the strength and weakness of China's greatest rival in the world, and in so doing reveals many things Chinese should know for the benefit of their own country.

Professor Orchard starts off by pointing out that Japan has had the ambition to be "the England of Asia." Then he adds that "it is doubtful whether any nation in the future can safely place so great a dependence upon manufacturing and trade as England has done," and also that "England possessed for industrial expansion abundant supplies of raw materials, notably iron ore and coal" while "Japan has few raw materialis and certainly, if she must depend upon her own natural resources, there can be no industrial development at all comparable to that of England.

Professor Orchard then deals with Japan's population problem. Rice is the staple food of the Japanese and the per capita consumption is 5½ bushels a year. The annual increase in population is 900,000, requiring an increase of 5,000,000 bushels of rice, which makes necessary an annual increase of rice producing land of 133,000 acres. And over a period of years the greatest annual increase of rice land has been only 25,000 to 35,000 acres. This means Japan faces three alternatives: voluntary restriction of population, immigration, or ever-increasing importation of foodstuffs, which call for increasing export of manufacturing products to pay for the imports.

So far there has been no move to restrict population by birth control or similar measures. Prior to the beginning of the modern area—less than a century ago—abortion and infanticide were widely used to keep down population but in the modern area all official propaganda has been for larger families and, as Professor Orchard says, "the large family has become a sacred institution and to all excepting the most liberal-minded, any attack upon it is almost as profane as an attack upon the emperor himself."

Immigration to the climes best adapted to the Japanese, such as Southern California, has been cut off, and places like Manchuria seem too cold. Professor Orchard finds that "the Japanese have not proved themselves to be a people capable of easy adaption to unaccustomed and unfriendly conditions." The climate of the Southern part of Korea is adapted to them, and since Professor Orchard's book was written there have been indications that Japan was deliberately seeking to drive as many Koreans as possible into Manchuria to make room for Japanese migration to Korea.

Dealing with Manchuria, Professor Orchard prophetically observes that the territory "is one of the few unexploited regions of the middle latitudes, and its position adjacent to areas of dense population makes it one of the world's danger spots," adding that "the stage seems set for a collosal struggle,"—a struggle that started just after his book was published. And it may comfort downhearted Chinese to read the following observations of the Professor: "China is badly torn by civil wars, but she has the advantage of proximity and in her migrants a most effective weapon to protect the sovereignty that still remains to her and perhaps even to regain the rights that she has been forced to surrender... China will not be the loser in this struggle. Though the Japanese are inclined to underrate the capacities of the Chinese, it is the Chinese who are making the greater progress in Manchuria."

Professor Orchard also quotes a Japanese economist, S. Washio, as saying that "if there were ever a hope for Japanese dominance (in Manchuria), it was the first ten years (after the Russo-Japanese war) during which we wished to colonize to the extent of 1,000,000 immigrants,—it is too late now." Since that time some 25,000,000 Chinese have migrated to Manchuria to only a few thousand Japanese.

Japan's interest in Manchuria, Professor Orchard points out, "has been as a possible source of food for the rapidly increasing population of Japan and of raw materials for Japanese manufacturing industries." Manchuria has iron ore and coal, the former in important quantities at Anshan and Mia Erh Kou, and the latter at Fushun, Yentai and Penhsihu. However, the metallic iron content of the ore deposits is only about 300,000,000 tons, or one seventh of the estimated reserves of the United States, and the bulk is so low grade that much of it would not be counted as ore in the United States, Anshan, 50 miles south of Mukden on the South Manchuria Railway, was opened for Japanese exploitation as a result of the 21 Demands and Gold $30,000,000 has been spent on erecting a plant which an American engineer once described as "a failure not only financialy but metallurgically." The cost of producing pig iron there has been almost Gold $10 a ton more than in Pittsburgh, U. S. A. However, there has been some recent improvement.

In connection with the Anshan project, Professor Orchard significantly reveals that the Ministry of Finance in Tokyo has been unwilling to subsidize it because it was on alien territory, and the ore is of such low grade that shipment to Japan for manufactures would be highly unprofitable. It seems indisputable that this situation had much to do with the present conquest of Manchuria by the Japanese armies. In fact, Professor Orchard makes this prophetic outburst: "The security of Japanese industry could be assured only with the occupation of Manchuria by Japan and the annexation of the territory as a part of the Empire, a step that would be attended inevitably with many difficulties in view of the growing self-assertion of China, the rapid settlement of Manchuria by Chinese peasants, and the certain opposition of other world powers." Alas, however, "the certain opposition of other would powers" has not yet materialized!

Even with Manchuria, though, Professor Orchard finds Japan would still face a severe industrial handicap because there is little coking coal in Manchuria, the coal reserves are small, and the iron ore of inferior quality. Further, even if Japan seized all China she still could not overcome this handicap, for Professor Orchard estimates that the total low grade and high grade Chinese iron ore reserves are so small that they would be consumed by the United States in ten to fifteen years. The only really important iron ore deposits in all Asia are in India although there is an important deposit in the Philippine Islands. Therefore, Professor Orchard concludes, the poverty of iron ore and coking coal is the fundamental industrial weakness of Japan and there is "no prospect at the present time of overcoming it." Furthermore, "Oriental countries can not expect to attain any high degree of industrialization because of the scarcity of the esential raw materials for the iron and steel industry."

Dealing with other phases of Japanese industry, Professor Orchard says that the services of foreign experts were dispensed with before the Japanese really learned western methods, and in consequence there is "a serious flaw in the present-day industrial structure." In labor efficiency has been sacrificed to low wages," with the result that cloth, for example, is produced in the United States with much higher paid labor at 18 to 57 percent less than in Japan. Also many buyers have found the quality of Japanese goods to be very low and Japanese exporters engage in sharp practices which, in the long run, injure trade.

Another weakness of Japan's economy, Professor Orchard cites, is the dominance of the textile industry, which employs 50 of the workers and accounts for almost half of the value of the industrial output. The silk branch of the textile industry is naturally dependent on prosperity elsewhere, such as in America, and so had been hard hit by the world-wide depression. The cotton goods trade is largely dependent on the Chinese market, and so is handicapped by the constant anti-Chinese boycotts, and also by Chinese tariff autonomy. Professor Orchard takes the opportunity to say in his account of the anti-

Japanese boycotts that they are not, as the *North China Daily News*, H. G. W. Woodhead, C. B. E., and similar ilk, allege, mere racketeering on the part of the Chinese. Instead, he finds these boycotts—and what is true of those with which he deals is possibly even more true in the present boycott—are a profound expression of Chinese nationalism and a serious menace to Japan. "Japan's economic dependence on China," he says, "is much greater than China's economic dependence upon Japan." Then he adds that Japanese industries must have the Chinese market for the disposal of their products, and trade can be carried on sccessfully only with friendly and satisfied customers." When he wrote his book Professor Orchard apparently thought this fact would result in more friendly relations between China and Japan in the future; evidently he did not study Japanese militarism as thoroughly as he studied Japanese economy.

Another major weakness of Japanese economy cited by Professor Orchard is the almost constant unfavorable balance of trade; in only six of the years since 1895 has the balance of trade been favorable to Japan, and four of those years were world war years.

Only the most important points of Professor Orchard's have been touched upon her, because space is lacking for an appropriate abstract of his vast array of facts, but they all point inevitably to the conclusion. She draws from them: "Japan is not a strong industrial nation though industrialization has been in progress 75 years and has had the active encouragement of the government.. ... The weakness of Japanese industry is more than immaturity... It is the result of the poverty of the country... Japan cannot hope to become a manufacturing nation of major rank."

In other words it would seem that it was time for Japan to call a halt on her four-flushing and sabre-rattling and be content with her real rank in the world,—a fifth or sixth rate imitation of leading western countries. But the present course of events would seem to indicate that it will take a revolution, or another world war, or both, to put "Dai Nihon" in her proper place. W. B.

Shanghai, Dec. 26, 1931.

A Discussion of Sovietism

"Why Recognize Russia?" by Louis Fischer; Jonathan Cape & Harrison Smith, New York, 298 pages.

Since the Wall Street crush the golden foundations of the capitalist world have been shaken to their very roots. Russia matters profoundly not only because of this but she occupies one-sixth of the earth's dry surface and has a population of 160 million and according to her present birth rate her population will reach 200 millions within ten years.

No matter whether we can agree with the Communist philosophy, Bolshevik principles or Soviet tactics, we cannot ignore the existence of the Soviet regime. In any case when one government recognizes another it does not mean that the one has to agree with the principles and philosophy of the other. This is fully elucidated in Mr. Fischer's book. Further, by ignoring the Russian existence the world will never can solve its peace problems, nor the problem of "dumping"—the export of wheat surplus, for example.

Mr. Fischer is a deep student of Soviet affairs. In the present volume he presents the arguments for and against the recognition of the Soviet Government by the U.S. Special chapters are devoted to such vexed and knotty questions as the Communist propaganda, the relationship between the Soviet Government and the Third Internationale, the Soviet debts and the like. The author also describes elaborately the actual diplomatic relations that have already existed between the American and Soviet governments dispite non-recognition.

The author does not plead for American recognition altho his arguments are overwhelmingly on that side. In fact, the Soviet Union is not so very anxious for recognition now since recognition for the new and unstable government is to enhance its prestige to deal with opposition factions within and foreign governments without. But the Soviet government has stood fourteen years. The regime is gaining influence and power as time goes on. Even the most die-hard enemies of the Soviet Government dare not to predict the collapse of the Bolsheviki these days. Of course recognition would cure many ills, for non-recognition means misunderstanding, hostility, and economic conflict—which eventually lead to open warfare.

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It is hereby notified that all factories which have been granted special privileges are under Government instructions required to be registered at the nearest Custom House once a year during the first month of the year, and for this purpose particulars concerning ownership, method of production, yearly output etc., must be supplied. Applicants for registration for the year 1932 are requested to apply at the Export Section of the Appraising Department of the Custom House for the necessary form on which registration is to be made. It is to be noted that before registration is accorded to any privileged factory the Customs will require to be supplied with such samples and value lists as are necessary to complete their records of all articles manufactured by the factory.

Should a factory fail to register within the prescribed period the special privlleges are liable to be withheld until registration is completed to the satisfaction of the Customs.

H. O. Tong,
Superintendent of Customs.

CUSTOM HOUSE,
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L. H. Lawford,
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Who's Who in China

Z. U. Kwauk, railway director; born at Chowyang near Swatow, Kwangtung, April 18, 1884; entered St. John's College, Shanghai at eleven and was graduated in 1903; following graduation, taught English at the Kiangnan Arsenal School in Shanghai; when the latter was closed, became a master in the Shanghai Municipal Public School for Chinese; teacher of English and natural science at St. John's College, 1906-10; went to England in 1910 and entered Sheffield University, studying electrical and mechanical engineering and graduating from both courses in 1913; won first prizes in workshop practice, tool design, electric laboratory work, efficiency engineering during his three years in the University, etc.; joined River Don Works of Messrs. Vickers and the Phoenix Works of Messrs. Steel, Peech & Tozer as student engineer; travelled extensively in England and U. S. A., visiting chief iron and steel plants of the two countries in 1915; returned to China in the same year; served as chief of the Engineering Department of the Hanyang Iron and Steel Works of the Han-Yeh-Ping, Co., 1915-23 and during the period, effected many important improvements in the Works; appointed engineer-in-chief and assistant superintendent of the Tayeh Works of the Han-Yeh-Ping Co., 1923; joined the Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railways as district engineer to look after the district between Shanghai and Hangchow, 1925 and did much to maintain the line in good and serviceable condition during the years of civil warfare, 1925-27; appointed director of the Shanghai Arsenal by the National Government at Nanking, 1929 and continued to serve in this capacity until August, 1931, when he was made managing director of the S. N. R. and S. H. N. R.; which post he now retains; elected member of the Board of Directors for the Reorganization of the Peiping-Hankow Railway, April, 1931; is fond of outdoor life and rifle range practice; his hobbies are bee-raising and collection of carvings; address: Administration Office, S. N. and S. H. N. Railways, Shanghai.

Z. U. Kwauk (Kuo Chen-en)
郭承恩字伯良

郭承恩字伯良，廣東汕頭人，年四十七歲，一九〇三年畢業於上海聖約翰大學，歷任上海兵工廠學校英文教員，工部局華童公學教員，約翰大學英文及理化教員，一九十〇年赴英留學，入賽非爾大學習電機及電械工程，一九十三年畢業於該大學，肄業該校時，因成績優異，屢獲獎章，畢業後，遊歷英美考察各地鋼鐵大工廠，一九一五年返國，任漢陽鋼場工程處主任，服務共八年，(一九一五至一九二三年)頗多革新，一九二三年升任大治鐵廠總工程師及副總管，一九二五至一九二九年任京滬滬杭甬路滬杭段段長，一九二九年至一九三十一年任上海兵工廠廠長，是年八月調任京滬及滬杭甬兩路管理局局長，現任斯職，通信處上海北站京滬滬杭甬兩路管理局。

Men and Events

Amoy has been declared an infected port (from smallpox) by the Shanghai Quarantine Service.

A beautifully illustrated (in colors) 178-page English supplement entitled "Present Day Japan" has been issued by the *Asahi* (Osaka and Tokyo).

Publication of the Russian edition of the Harbin *Observer* by Hayton Fleet has been prohibited by the Harbin Police Department.

After a three months experiment, one way traffic north to south has been permanently ordered for Kiangse road, by the Shanghai Municipal Council.

Mrs. Winifred Graves, wife of the American Consul at Hankow, arrived back in Shanghai December 29 after a holiday spent in the United States.

Dr. L. Rajchman, Director of the Health Section of the League of Nations, departed from Shanghai December 30 via Dairen and Siberia on his return to Geneva.

The Apollo Theatre, in North Szechuen road, Shanghai, the pioneer cinema house in China, is being razed. The contents were sold at auction during the week.

Mrs. Madeline Powell Bennett, wife of Dr. Bennett, Superintendent of the Shanghai General Hospital, has returned to Shanghai after a visit to the United States.

Douglas Fairbanks, who is at present enroute from Paris to Manchuria and Peiping, is scheduled to meet his wife, Mary Pickford, in the former capital in March.

General Chiang Tso-ping, the Chinese Minister to Japan, who recently came over from Tokyo, has resigned his post. Chiang Hua-peng is in temporary charge of the Legation in Tokyo.

The resignation of General Chang Chun, mayor of the Municipality of Greater Shanghai, has been accepted. He has been offered the position of chairman of Fukien province. General Wu Tai-chen will probably succeed him.

Y. C. Koo, the exchange manager of the Chungfoo Union Bank, Shanghai, makes a strong argument that America should abandon the gold standard, in an article contributed to the current number of *Finance and Commerce*.

Miss Harriet J. Halverstadt, of the Methodist Episcopal Mission, was captured by bandits December 24 while travelling in a passenger launch near Pagoda Anchorage, in the Foochow district. Ten Chinese were captured by the bandits at the same time.

Mrs. M. Kornfeldt, American wife of the late Captain Kornfeldt, Norwegian coastal skipper, who died in Vladivostok about a year ago, was found dead on the floor of her bedroom at 21 Love Lane, Shanghai, on the morning of Dec. 30 shortly before noon. On a table beside the woman was a glass containing some beer dregs and the remains of a white powder.

A Russian cabaret pianist named Kormiltseff stabbed and killed his estranged 23-years old sweetheart named Bartsevich, a cabaret dancer, at 23 Wayside Road, Shanghai, on the night of December 28. She taunted him with a love song. Kormiltseff gave himself up to the police. The First District Court sentenced Kormiltseff to 10 years imprisonment December 30.

Clyde Pangborn and Hugh Herndon, who won the *Tokyo Asahi* prize for the trans-Pacific flight (which together with other prizes for the round-the-world tour totalled about G$30,000) are quarreling over the division of the money. Pangborn in a recent interview in New York stated that he only got about $3,000 of the total proceeds from Herndon.

Mr. Tryphon Ku, a staff member of the *China Weekly Review* and a former senior student of the Chiao-Tung University in Shanghai, was married to Miss Lillan Wu on Dec. 27 at his parents' residence in Soochow. The wedding ceremony was attended by a large number of friends. The new couple will spend their honeymoon in Hangchow and after that will take up their residence in Shanghai.

Will Rogers, famous American comedian, addressed the Fourth Marines Church at the Carlton Theatre, Shanghai, Sunday morning, December 27. No sermon was preached by Chaplain Truitt. The remarks by Mr. Rogers were of his characteristic humorous nature. In the course of his remarks he turned to Rev. Truitt, and banteringly said, "Chaplain, you don't want to save any souls today." Rogers departed from Shanghai for Manila December 30, after a stay here of several days.

The **CHINESE NATION**

Contents of Vol. III, No. 3

December 30, 1931.

EDITORIALS:

JAPAN CONVERGING ON CHINCHOW:
The Significance of Chinchow
Japanese Reinforcements for Tientsin
The C. E. C. Conference and Manchuria
Chinese Government Reorganization
Tact in Political Expression

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H. Benson-Currie

Foreign Troops in China
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The Far Eastern Crisis

"The Economist," one of the leading financial journals in Great Britain, in its issue of November 21, printed the following editorial comment on learning of the rout of General Ma's forces at Tsitsihar at the hands of the Japanese. "The Economist" has set its face uncompromisingly against any condoning on the ground of expediency of Japan's aggressiveness.

THIS last of the long series of Japanese military offensives in Manchuria has completed the grip which the Japanese military authorities have been fastening upon this great Chinese territory. General Ma's troops were the last remnant of the forces of the *ci-devant* local Chinese Government in Manchuria that remained in being. They have now been destroyed. Tsitsihar was the last of the capitals of "the three eastern provinces" of China in Manchuria which had remained unoccupied by the Japanese. It is now under Japanese military occupation, like Mukden and Kirin. Moreover, the Japanese army is now astride the Chinese Eastern Railway, which is the direct overland route from the Far East to Europe, and the short cut from the maritime province of the Soviet Union, round the port of Vladivostok, to the main body of the Soviet territory in Siberia.

As in each previous case, we find ourselves without any neutral or impartial account of the circumstances in which this new act of Japanese aggression was committed. The Japanese allege that their offensive on Wednesday morning was a retort to a previous Chinese attack upon the Japanese positions covering the Nonni Bridge. They also allege that although General Ma had accepted General Honjo's ultimatum, demanding his withdrawal in principle, he had hedged his acceptance about with conditions which the Japanese were not prepared to accept on their side. One condition seems to have been that the Japanese should withdraw simultaneously on their part; another seems to have been that the Japanese should not allow the use of the Taonan-Anganchi Railway to a local Chinese war-lord is in opposition to the *ci-devant* Mukden Government, which General Ma represents—or did represent until Wednesday last. Whatever may prove to be the truth about these points, they are points of secondary importance, and the two points of primary importance are clear beyond question. The first of these points is that Japan, after flouting the League's authority during the interval given by the Council for a Japanese withdrawal, has flouted it, still more flagrantly, for the second time at a moment when the Manchurian question is again actually under discusion in the Council Chamber. Japan's defiance of the League is now open and indefensible—indeed, undefended by the Japanese themselves, who now declare their intentions to the Council without troubling to argue the legitimacy of their acts. The second point of primary importance is that this military offensive, which has carried the Japanese front line in Manchuria from the Nonni Bridge to Tsitsihar, has completed (as we have shown above) the process of bringing the whole of Manchuria into Japan's power.

Japan Violates Treaty Obligations

Thus Japan, who is professing to be acting in this way in order to safeguard her treaty rights in Manchuria, stand convicted of having violated treaty obligations of her own which affect not only Manchuria but the whole world. She has violated the Covenant of the League of Nations; she has violated the Kellogg Pact, in which she pledged herself not to resort to war as an instrument of national policy; she has violated the Nine-Power Washington treaty, in which she pledged herself to respect not only the territorial but the administrative integrity of China. At the same time, she refuses to have her treaties with China concerning Manchuria either discussed by the Council with a view to conciliation or submitted to the permanent International Court for interpretation. She will not even agree that, as a first step towards finding an issue out of the present dead-lock, the Council should review those particular provisions in the treaties which relate to the security of Japanese persons and property in Manchuria, with a view to finding ways and means for the protection of these interests which would enable the Japanese forces to withdraw without exposing them to danger. The Japanese are still insisting upon the terms upon which they insisted a month ago. They will not withdraw their troops until their five points—including the fifth point requiring respect for treaties concerning Manchuria—have been settled to their satisfaction; and they insist on settling these five points with the Chinese *a deux*, without the mediation of the League Council or any other third party. In other words, they insist upon taking advantage of the military stranglehold which they have acquired over Manchuria by main force in order to compel the Chinese not only to re-endorse these Manchurian treaties (which were extracted from the Chinese, in 1915, by *force majeure*), but also to assent to any interpretation of the treaties which the Japanese may choose to impose.

This is not negotiation but dictation, and the Chinese, at the Council meeting this week, are showing themselves as firm in refusing to fall in with it as the Japanese are firm in insisting upon it. The Chinese insist now, as they have insisted all along, that, before the withdrawal of the Japanese troops, they will negotiate about nothing except the protection of Japanese persons and property in Chinese territory outside the Japanese zone. On this the Chinese are willing to negotiate here and now. On all other questions involved in the Manchurian treaties, they are willing to have negotiation and conciliation and arbitration when the Japanese forces have been withdrawn but not before. After re-affirming the Chinese position, in this sense, on Wednesday evening, Dr. Sze intimated that China would take the first opportunity of transferring the procedure from the field of Article 11 of the Covenant to that of Article 15. As we reminded readers of the *Economist* last week, Article 15 differs from Article 11 in two important respects. In the first place, the votes of the disputants do not have to be taken into account for the purposes of securing juridical unanimity. In the second place, if the Council (excluding the parties to the dispute) takes a unanimous decision and one of the parties then resorts to war in defiance of it, then, in this case, Article 16 comes into play; and under Article 16 all States Members of the League are bound to subject the Covenant-breaking State to an economic boycott.

After mentioning Article 15, Dr. Sze put the direct question: "What is the Council going to do about it?" This question is perhaps the most searching, and the most momentous, that has been addressed to the League since its birth. At the moment when we go to press it remains unanswered, though, by the time when this issue appears, the answer may have been given for weal or woe. It is clear now that the League must either assert itself forthwith in some immediately effective way or must contemplate the collapse of all that it has built up during twelve years.

The forces of defeatism are formidable. During the last few days the Japanese have been encouraged in their intransigeance by a number of conservatively-inclined organs of the French and British Press—as if the conservation of French and British interests in the world were likely to be promoted by a fresh victory of militarism over international law and order. There is also some uncertainty about the distance which the United States would be prepared to accompany the League along the road of coercion. On Wednesday, Mr. Stimson issued a *communique* at Washington in which he declared that the American Government "has consistently urged, and is continuing to urge, that only peaceful means shall be used in the settlement of the dispute;" but it is not clear whether or not he includes, among peaceful means, either the withdrawal of ambassadors from Tokyo or the stronger step of an economic boycott. No doubt one cannot "bell the cat" without a risk of scratches. But if it is a choice—as it certainly is a choice—between risking scratches now and courting destruction in another world war hereafter, who can doubt which is the right course for the Council of the League and the Government of the United States to follow?

British Warship Is Sent to Tungchow Area

Recent attacks on British ships in the Tungchow area in the lower Yangstze have impelled the British government to send a British warship to that port. Following an attack on the British ship *Wuhu* at that port December 26 an armed detachment from a nearby Britush gunboat arrested four Chinese, who were later turuned over to the Chinese authorities. The policy now adopted by the British at Tungchow is on lines somewhat similar to those adopted several years ago at the north Yangstze port of Wanshien, where the troubles eventually led to the bombardment of that port by a British warship—this in turn leading to one of the most determined boycotts which the British merchants in China ever experienced.

A Humorous Speech by General Li Leuh-chun

Nanking (*Kuo Min*), Dec. 28.—The strained atmosphere which had prevailed during the past few days as a result of misunderstanding between some of the C.E.C. members was cleared last night when a dinner, marked throughout by cordiality and good humor, was given by Mr. Lin Sen, Mr. Yu Yu-jen and other Nanking leaders in honor of the entire members of the C.E.C. and C.S.C. now attending the Plenary Session.

Combining earnestness with humor, General Li Lieh-chun, in an interesting speech which considerably enlivened the occasion, drew attention to the important results already achieved at the Plenary Session. He also pointed out that with the impending arrival of General Feng Yu-hsiang and other well-known leaders, the position of the Central Govenment would be considerably strengthened and consolidated.

Introducing a touch of humor, not unmingled with pathos, General Li concluded, "I can safely predict that if we really succeed in achieving unity and cooperation even the carefree ploughman at Fenghua, the assiduous amateur calligraphist at Hongkong, the invalid recuperating at Shanghai and the hermit fisherman at Wutaishan would be willing to come to the Capital and take up the leadership." (The reference is, of course, to General Chiang Kai-shek, Mr. Hu Han-min, Mr. Wang Ching-wei, and General Yen Hsi-shan).

Typical Japanese Presumption and Arrogance

General Jiro Minami, the former Minister of War, who has been on an inspection tour in Manchuria, departed from Changchun, Dec. 28. A *Rengo* telegram says that in the course of a press interview, the ex-War Minister remarked:

"The Japanese military operation in Manchuria has come to an end, with the exception of those against the Chinchow troops which are still under the influence of the old administration. The subjugation of them will also be effected in the shortest period of time. In order to create a paradise for all nations in Manchuria a foundation of a permanent state must be established at this time. For the purpose we should now direct our efforts towards the establishment of a firm new administration in Manchuria. In effecting this great work, no intervention of a third country should be allowed."

Manchuria to Fly New Flag on January 1?

According to press messages from Mukden, quoted by *Reuter* a tri-colored flag—red, blue and yellow, representing the union of Manchurians, Mongolians and Koreans will be hoisted on all buildings throughout Manchuria on January 1. This flag, it is stated will be the outward symbol of the new and independent Manchurian state which was to come into being on that date.

Latest New York Stock Exchange Quotations

Market: Firm — Business Done 2,400,000 Shares — December 30

1930-1931 High	1930-1931 Low	Div.$ perSh.	STOCKS	Mon. Dec. 28	Tues. Dec. 29
23½	3¼	1.00	Adams Express	3⅞	3¾
182¾	65⅛	*6.00	Allied Chemical & Dye	65⅛	67⅛
42¾	10¾	1.00	Allis Chalmers	10¾	11
129¾	59⅜	*4.00	American Can	59⅜	59⅞
51⅝	6⅜	—	American &ForeignPower	6⅞	6⅞
31½	3½	—	American& For. Power W.	3⅝	3½
58½	18⅛	1.50	American Smelting	18⅛	18⅛
201¾	113½	9.00	American Tel. & Tel.	113½	115¾
132¾	65½	*5.00	American Tobacco "B"	66⅞	69¼
80¾	22	3.00	American Waterworks	25½	26¾
43¼	9⅝	—	Anaconda Copper	9⅝	9¾
87⅞	14½	4.00	Baltimore & Ohio	14⅞	15⅛
70⅝	17⅛	2.00	Bethlehem Steel	17⅞	18⅛
76⅛	36¼	*3.00	Borden Company	36¼	37⅛
30⅝	9¼	1.00	Borg Warner	9¼	9½
45⅝	11	1.25	Canadian Pacific Railway	11⅜	11⅝
131½	33¼	—	Case J. I.	39⅛	40⅝
54⅛	14⅛	3.00	Chesapeake Corp	15¼	15½
25⅝	11¾	1.00	Chrysler	13	13½
20⅞	5½	.30	Cities Service, Co.	5⅜	5½
45⅝	12¼	1.50	Columbia Gas & Electric	12¼	12⅝
12	3⅜	.30	Commonwealth &Southern	3½	3⅝
2⅝	⅜	—	" warr.	Unq.	½
109⅝	58¼	4.00	Consolidated Gas. of N. Y.	58¼	59⅜
12	5	—	Continental Oil	5⅜	5⅝
86⅝	36¼	*3.00	Corn Products	Unq.	40⅝
5⅞	1	—	Curtiss Wright Co.	1	1
78¾	42¾	1.00	Drug Incorporated	50	51¼
107	51¾	4.00	Du Pont de Nemours	Mutl.	54¼
185¾	78½	5.00	Eastman Kodak	78½	80¼
61	9	6% S	Electric Bond & Share	10⅛	10½
88⅝	2⅝	—	Fox Film "A"	2⅝	2¾
54⅝	24	1.00	General Electric	24	24⅝
56	29	3.00	General Foods	32	31⅝
48	22	3.00	General Motors	22	22¾
84⅛	21¼	5.00	General Railway Signal	23	23
38⅝	9⅛	—	Gillette	10⅝	11¼
42⅛	15	2.50	Gold Dust	17⅝	17½
20⅞	8½	—	Goodrich Rubber	3½	3⅝
52⅝	14	3.00	Goodyear Tire & Rubber	14	15½
22⅝	5⅝	1.00	Granby	6	5⅞
62½	16	4.00	International Cement	16½	16¼
4	½	—	International Combu. Eng.	½	½
60½	22½	2.50	International Harvester	23	23¼
20⅛	7⅛	.20	International Nickel	7⅜	7¾
88⅝	7⅝	.60	International Tel.& Tel.	7⅝	7⅞
80⅜	15¾	3.00	Johns Manville	15¾	16½
31½	9⅝	1.00	Kennecott	10⅜	10⅝
27⅜	4¼	1.61	Kreuger & Toll	4½	4½
91¾	40	4.00	Liggett & Myers, "B"	45⅛	46
63½	24½	3.00	Loew's: Inc	25¾	26⅞
21⅞	10	1.20	Lorillard P. Co. (com.)	11¾	12⅛
19	4⅛	—	Ludlum Steel	Unq.	5
29¼	6⅜	—	Montgomery Ward	7	7
40⅞	14⅜	2.00	Nash Motors	15	16
14⅜	5	.80	Nevada Consolidated Co.	5⅜	5½
132¼	26½	4.00	New York Central	28¼	29⅛
11	2½	—	North American Aviation	2⅝	2⅞
54⅞	29⅝	2.00	Pacific Gas & Electric	32⅛	34½
11⅞	3⅞	.40	Packard Motors	3⅞	3⅞
50¼	6	10%S	Paramount—Publix Corp	6¼	6¼
64	16⅞	2.00	Pennsylvania Railroad	17⅜	17⅝
8½	1⅝	.40	Pennroad Corporation	2¼	1⅞
16⅝	4¼	—	Phillips Petroleum	4¼	4¼
96	50¼	3.40	Public Service of N. Jersey	52⅝	52¾
27½	5¼	—	Radio Corporation	5½	5½
24½	¾	—	Radio-Keith Orpheum	⅞	Unq.
54½	32⅝	3.00	Reynolds Tobacco "B"	32⅝	32½
63¼	31	2.50	Sears Roebuck	32⅝	33⅜
10¼	2⅞	—	Shell Union	2⅞	2⅞
23⅜	6⅞	—	Simmons Company	7	7
26½	8⅜	1.00	Socony-Vacuum Corp.	8¾	7⅞
54½	28⅝	2.00	SouthernCaliforniaEdison	30	30½
88⅜	26½	3.50	Standard Gas & Electric	26½	28
53½	26⅛	*1.00	Standard Oil of N. Jersey	26½	27
36¼	10½	2.00	Texas Corporation	10⅞	11
55¾	19⅝	3.00	Texas Gulf Sulphur	22	22⅝
18	2⅛	—	Trans America	2⅛	2⅛
72	23⅝	2.60	Union Carbide & Carbon	23⅝	29½
205½	71¾	10.00	Union Pacific Railway	71¾	71
38⅞	10¼	—	United Aireraft & Transp't	10¼	10½
31¼	7⅞	.75	United Corporation	8½	8⅝
87½	16	1.20	United Gas Improvement	16¾	18⅛
20⅝	2⅞	—	U.S. Rubber	3⅝	3½
152⅝	36⅞	4.00	U.S. Steel	36⅞	38
76¾	11¼	—	Vanadium	12½	13¼
20⅜	2¼	—	Warner Bros. Pictures	2¼	2¼
107¾	23	2.50	Westinghouse E. & M.	23	Unq.
72⅝	36¾	2.40	Woolworth	38⅛	39½
*plus extras			Call Money	3½	3½

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Exchange Circular for the week ending Wednesday, 23rd December, 1931.

A steady but moderate appreciation in prices of silver and exchange rates has taken place this week until yesterday and locally the latter have been stimulated for near delivery by the lightness of money and high interest ruling at present. Forward rates are by no means so strong.

The Japanese Government have abandoned the Gold Standard as was anticipated last week.

The London/New York Cross rate has varied between 3.45¼ and 3.40⅛, which is today's quotation. The Yen Cross rate has fallen from 43.12 to 39.50.

Silver:—On the 17th inst. was 20½d. spot and 20 7/16d. forward and U.S. $ 0.31⅛ and today is 20 5/16d, 20⅛d, and U.S. $ 0.30⅜.

Speculators have been buyers, with generally small offerings. America has been a seller, and subsequently bought heavily: China has worked both ways. A bull position has been worked up here and abroad.

Exchange:—The T/T official rate on London on the 17th inst. was 1/11 3/16p: raised on the 19th inst. to 1/11 7/16d: lowered this morning to 1/11 5/16d.

The market opened on the 17th inst. with sellers at 1/11 3/16d, U.S. $34⅛ and Yen 126, and after an irregular period, by noon had reached 1/11 7/16d, U.S. $ 34 1/16 and Yen 124. Slight fluctuations took place, but at closing best sellers were 1/11 7/16d, U.S. $ 34⅛ and Yen 126. Gold Bars and a sensational rise from 634 to 668.80 on rumours of the abolition of the Gold Embargo, which were not officially confirmed.

Our Stocks of Silver are reported as follows:—

Sycee and Bar Silver ... ... Tls. 61,741,000 a decrease of Tls. 17,000
Chinese and Mexican Dollars $ 135,140,000 an increase of $ 160,000
Estimated value Tls. 197,201,000 as against Tls. 214,572,000 held at this time last year

†	Average rates for Nov.	Thursday Dec. 17	Friday Dec. 18	Saturday Dec. 19	Monday Dec. 21	Tuesday Dec. 22	Wed. Dec. 23
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T on London	1/9.245	1/11 5/16	1/11 5/16	1/11 5/16	1/11 5/16	1/11 5/16 1/11 5/16	1/11 5/16
D/Dfts "	—	1/11 5/16	1/11 5/16	1/11 5/16	1/11 5/16	1/11 5/16 1/11 5/16	1/11 5/16
4 m/s "	—	1/11 9/16	1/11 9/16	1/11 9/16	1/11 9/16	1/11 9/16 1/11 9/16	1/11 9/16
T/T on India	116,700	128	128	130½	130¾	130½ 129½	128
T/T on France	842,720	854	848	845	854	852 843	838
T/T on N.Y.	32,960	33 1/16	33 5/16	33 1/16	33 1/16	33 7/16 33	32 7/16
T/T on Demand		33 1/16	33 5/16	33 3/16	33 1/16	33 7/16 33	32 7/16
T/T on Hamburg R. M.		141	140	140	141 1/16	141 140	138 1/16
T/T on H'kong	76.5175	75 1/16	75 5/16	75 1/16	75 3/16	75 1/16 75 1/16	75 1/16
T/T on Japan	249 930	129 nom.	129 nom.	127 1/16 nom.	127 nom.	122 nom.	120 1/16 nom.
T/T on Batavia	82.350	82 1/16	84	82	82 1/16	123 1/16	
T/T on Straits	133 040	121	121	119	119	84 83	82
Ch's buying rates						119 120	121
4 m/s B/L. Cred. &D/A	1/10 805						
4m/s B/L D/P	—						
6m/s " B/L Cred&D/A							
4m/s B/L Cred D/A or D/P							
4m/s N.Y. Lc.							
4m/s " Docs.	—						

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Dec. 17	Dec. 18	Dec. 19	Dec 21	Dec. 22	Dec. 23
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence						
**New York Price of Bar Silver per oz. (Pure)	20¼	20 1/16	20⅜	20 1/16	20 1/16	20 5/16
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	G.$ 315⅝	G.$.315⅝	G.$.30¾	G.$.31	G.$.30¾	G.$.30⅝
Shanghai Silver Bars (weight Tls. 100 (Canton) 999 touch) ....Nominal	Tls. 668.00	Tls. 667	Tls. 661.00	Tls. 673	Tls. 688.00	Tls. 675.00
Shanghai Mexican Dollars per $100	Tls. 112.00	Tls. 112.00	Tls. 112.00	Tls. 112.00	Tls. 112.00	Tls. 112.00
Native Bank Rate of Interest (Call money)	Tls. 72.3	Tls. 72.2875	Tls. 722	Tls. 72 275	Tls. 723	Tls. 72.3125
*Closing Price in London for Previous day	5%	5%	4%	5%	6%	5%
**Closing Price in New York for Previous day						

Bank of England rate of discount	6%	London on Paris	T/T 86.56
Bank of France rate of discount	3½%	New York on London	T/T 340⅜
London open Market of Dis. 3 m/s	5 3/4%	Bombay on London	T/T 1/6⅛
" " 4 "	5⅝	Hongkong on London	T/T 1/5 15/16
" " 6 "	5⅜	Kobe on London	T/T

FEARON, MAITLAND and SHAW

The National City Co. Gold Bond Quotations Received From Head Office

December 24, 1931.

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	43½	—
City of Antwerp	5 % Dec. 1, 1958	70½	7.58
Argentine Government	6 % May 1, 1960	51	12.19
Canadian National Railway Co...	5 % Oct. 1, 1969	81	6.33
Chile Government.. ..	6 % Jan. 1, 1961	12½	—
City of Vienna	6 % Nov. 1, 1952	58	11.25
City of Yokohama.. ..	6 % Dec. 1, 1961	64	9.71
German General Electric (A.E.G.)	6 % May 1, 1948	25	—
German Central Bank for Agriculture	6 % Apr. 15, 1938	27⅜	—
Greek Government ..	6 % Feb. 1, 1968	44	—
Japanese Government..	6½% Feb. 1, 1954	81	8.39
Kingdom of Italy	7 % Dec. 1, 1951	85¾	8.49
Lautaro Nitrate Co., Ltd..	6 % July 1, 1954	12	—
Nord Railway Co... ..	6½% Oct. 1, 1950	97	6.78
Norwegian Hydro-Electric Nitrogen Corp...	5½% Nov. 1, 1957	52	11.22
Oriental Development Co..	5½% Nov. 1, 1958	58	11.04
Paris-Lyons-Med. Railroad Co.	7 % Sept. 15, 1958	99	7.08
Republic of Costa Rica (Pacific Rwy.)	7½% Sept. 1, 1949	42	—
Republic of Finland ..	5½% Feb. 1, 1958	40	—
Republic of Peru	6 % Dec. 1, 1960	6½	—
Rhine Westphalia Electric Power Corp. ..	6 % Aug. 1, 1953	31½	—
Saxon Public Works ..	6½% May 1, 1951	19	—
Saxon State Mortgage Institution	6½% Dec. 1, 1946	28	—
Toho Electric Power Co. Notes (Japan) ..	6 % July 1, 1932	95¼	16.27
Tokyo Electric Light Co. (Japan)	6 % June 15, 1953	44	—
Ujigawa Electric Power Co. (Japan)	7 % Mar. 15, 1945	69	11.60
U. S. of Brazil	6½% Oct. 1, 1957	17½	—
Anaconda Copper Mining Co.	Common Stock	10	—
Baltimore & Ohio Railroad Co.	Common Stock	16¼	—
Belgian National Rwy. Pcptg. Pfd. Stock ..	6 % (Amn. Shares)	62	—
Pennsylvania Railroad Co.	Common Stock	18¼	—
Socony-Vacuum Cor-	Common Stock	9	—
United Aircraft and Transport Corp. ..	Common Stock	10¼	—
Chicago Rapid Transit Co.	6½% July 1, 1944	26	—
Cuban Dominican Sugar Corp.	7½% Nov. 1, 1944	5½	—
Pennsylvania-Dixie Cement Corp.	7 % Cum. Pfd. Stock	47⅛	—
State of Minas Geraes Series "A"	6½% Sept. 1, 1959	29	—

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 % 1925	60	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 % 1913/60	62	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	60	—
Chinese Government (Crisp Loan)	5 % 1912	38½	—
Shanghai-Nanking Railway..	5 % 1904/08	39½	—
Shanghai - Hangchow-Ningpo Railway ..	5 % 1908/38	63½	—
Hukuang Railway.. ..	5 % 1911/1951	19	—
Tientsin-Pukow Railway	5 % 1908/09	15	—

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What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs Pieces; Mille—thousands;

PRESIDENT McKINLEY, October 29.

(Agents: Robert Dollar Co.)

To U. S. of America.

Tea, Black:			
Other kinds, Shanghai	*Pls.*		2
„ „ Hankow, etc.	„		218
Tea, Green:			
Other kinds, Shanghai	„		9
Gunpowder, Ningpo...	„		254
Silk, Raw, Steam Filature:			
White, Shanghai	*Bls.* 605	„	595.11
Yellow, Tsingtao	„ 90	„	89.58
Silk, Waste:			
Shanghai	*Bls.* 17	„	50.11
Tsingtao	„ 66	„	199.58
Bristles		„	53
Brassware		„	172
Chinaware		„	110
Groundnuts		„	80
Hair, Human		„	140
Intestines, Pig		„	16
Oil, Wood		„	465
Rhubarb		„	9
Seed, Sesamum		„	54
Skins, Lamb, Untanned	*Pcs.*		1,500
„ Sheep, „	„		9,000

RAMSES, October 30.

(Agents: Hamburg-Amerika Linie.)

From U. S. of America.

Aluminium-foil	*Pls.*	25
Aluminium Sheets	„	78
Iron and Steel, Ungalvanized:		
Tinned Plates, Plain...	*Pls.*	339
Iron and Steel, Galvanized:		
Wire Shorts	„	377
gtarch	„	73
Cotton Shirts and Underwear	*Doz.*	12

PRESIDENT GRANT, Oct. 30.

(Agents: Robert Dollar Co.)

From U. S. of America.

Cotton, Raw	*Bls.* 2,000 *Pls.*	3,819
Tinned Plates, Plain...	„	396
Asbestos Sheets & Packing	„	12
Beans, Dried	„	38
Bronze Powder	„	53
Canned Asparagus	„	36
„ Fruits	„	41
Fruits, Dried	„	95
„ Fresh	„	25
Ink, Printing	„	9
Paper, Printing (Woodfree	„	56
Oil, Coconut	„	120
Raisins	„	63
Shrimps, Dried	„	100
Soap, Household	„	21
Soda Ash	„	840
Oil, Lubricating, Mineral	*Galls.*	8,063
Motor-cars	*Pcs.*	3
Motor-truck, Chassis	„	10
Rubber Tires, Pneumatic:		
For Motor Cars & Trucks	„	60
Typewriters	„	57
Shoes	*Pairs*	564

SCOTTSBURG, November 2.

(Agents: Lloyd Everett, Incorporated.)

Ftom U. S. of America.

Iron and Steel, Ungalvanized:		
Sheets	*Pls.*	350
Asphalt	„	5,730
Grease, Lubricating, Mineral	„	510
Gum Resin	„	2,224
Oil, Kerosene, in Case	*Galls.*	176,600
„ „ „ bulk	„	1,082
Oil, Lubricating, Mineral	„	45,206

BORDEAUX MARU November 2.

(Agents: Showa Shipping Co.)

From U. S. of America.

Hides, Bull	„	127
Paper, Bond	*Pls.*	781
Raisins	„	3,000
Sulphur	„	168
Sugar, Milk	„	15
Timber:		
Laths	*Pcs.*	498,900
Hardwood Logs	*Sup ft.*	91,360

PRESIDENT TAFT, November 3.

(Agents: Robert Dollar Co.)

From U. S. of America.

Copper Ingots	*Pls.*	1,260
Lead, Pig	„	839
Apples, Fresh	„	936
Flour, Wheat	„	926
Hams	„	8
Herrings, Salt	„	14
Macaroni	„	5
Milk, Evaporated	„	276
Paper, Common, Newsprints, in Rolls	„	3,751
Wood Pulp, Chemical	„	1,692
Motor-cars, Used	*Pcs.*	1
Rubber Tires, Pneumatic:		
For Motor-cars	„	5
Rubber Inner Tubes:		
For Motor-cars	„	25
Canned Salmon	*Doz.*	120
Timber, Softwood:		
Clear	*Sup. ft.*	67,954

KWANSAI MARU November 4.

(Agents: Osaka Shosen Kaisha.)

From U. S. of America.

Artificial Silk and Cotton Piece Goods	*Yds.*	62
Iron, Old	*Pls.*	306
Antifriction Metal	„	87
Sulphur Black	„	247
Tobacco, Leaf	„	4,294
Wax, Paraffin	„	9,976
Rubber Tires, Pneumatic:		
For Motor Cars & Trucks	„	43
Oil, Lubricating, Mineral	*Galls.*	600
Dyes, Aniline	*Pkgs.* 111 *G. Units*	10,192
Infants' Foods	„	1,041
Machinery	„	1,404

PRESIDENT CLEVELAND, November 4.

(Agents: Robert Dollar Co.)

To U. S. of America.

Tea, Green:		
Young Hyson, Ningpo	*Pls.*	8
Gunpowder, Ningpo...	„	662
Silk, Raw, Re-reeled and Steam Filature:		
White, Shanghai	*Bls.* 125 „	122.31
Silk, Raw, Filature:		
Wild, Dairen, etc	*Bls.* 170 „	177.62
Silk, Raw, Reeled from Doupions:		
Shanghai	*Bls.* 20 „	20.08
Brassware	„	8
Feathers, Duck	„	7
Hair, Human	„	52
Seed, Sesamum	„	50
Skins, Lamb, Untanned	*Pcs.*	1,000
Hats, Hemp	„	6,000

HEIAN MARU, November 5.

(Agents: Nippon Yusen Kaisha.)

From U. S. of America.

Wheat	*Pls.*	28,500

BORGESTAD, November 5.

(Agents: Canadian Trading Co.)

From U. S. of America.

Timber, Softwood:		
Ordinary, Sawn	*Sup. ft.*	3,482,129
Merchantable	„	179,050

KUROHIME MARU, Nov. 7.

(Agents: Yamashita Kisen Kaisha.)

From U. S. of America.

Paper, Bond	*Pls.*	225
Wheat	„	107,325
Timber, Softwood:		
Ordinary, Sawn	*Sup. ft.*	264,780
Merchantable	„	68,317
Clear	„	64,978

ATLANTA CITY, November 9.

(Agents: U. S. Steel Products Co.)

From U. S. of America.

Cotton, Raw	*Bls.* 17,600 *Pls.*	54,177
Iron and Steel, Ungalvanized:		
Sheets	*Pls.*	4,898
Tinned Plates, Plain...	„	6,808
„ „ Scrapes	„	300
Iron and Steel, Galvanized:		
Sheets, Plain	„	7,258
Steel, Bamboo	„	1,676
Carbon Black	„	211
Soda, Caustic	„	1,006

PRESIDENT POLK, November 9.

(Agents: Robert Dollar Co.)

From U. S. of America.

Cotton, Raw	*Bls.* 400 *Pls.*	1,448
„ Thread, other kinds	„	150
Aluminium Sheets	„	315
Canned Asparagus	„	188
„ Fruits, Table	„	13
Grapes, Fresh	„	41
Leather, Cals, Coloured	„	8
Milk, Evaporated	„	74
Oranges, Fresh	„	142
Paper Printing (Wood free)		81
Petrolatum	„	231
Pitch	„	620
Raisins	„	47
Shrimps, Dried	„	158
Wax, Paraffin	„	1,696
Chocolate	*Lb.*	644
Bedsteads	*Pcs.*	54
Motor-cars	„	14
Motor-truck Chassis	„	12
Oil, Linseed	*Galls.*	215
„ Lubricating, Mineral	„	434
Paints	„	45
Varnishes	„	30
Machinery	*G Units*	6,298
Motor Cars, and Trucks, Parts of	„	5,812

EMPRESS OF ASIA, Nov. 10.

Agents: Canadian Pacific S. S. Co., Ltd.

From U. S. of America.

Motorc-ars	*Pcs.*	5
Bacon	*Pls.*	45
Apples, Ereoh	„	23
Ink, Printing	„	228
Wood Pulp, Chemical	„	101

KASAGI MARU, November 13.

(Agents: Nippon Yusen Kaisha.)

From U. S. of America.

Cotton, Raw:		
American	*Bls.* 501 *Pls.*	1,729
Motor-cars	*Pcs.*	1

RABY CASTLE, November 13.

(Agents: Dodwell & Co.)

From U. S. of America.

Iron and Steel, Ungalvanized:		
Nails, Cut	*Pls.*	735
Tinned Plates, Plain	„	45
„ „ Strips	„	204
Indigo Paste, Artificial:		
20 per cent. strength	„	2,000
Paper, Waxep	„	71
Soda, Hydrosulphite of	„	131
Sulphur Black	„	961
Tobacco, Leaf	„	11,430
Dyes, Aniline	*Pkgs.* 369 *G. Units*	35,505

PRESIDENT LINCOLN, Nov. 14.

(Agents: Robert Dollar Co.)

From U. S. of America.

Cotton, Waterproof Cloth, Rubbered	*Yds.*	307
„ Raw	*Bls.* ... 500 *Pls.*	1,700
Iron and Steel, Ungalvanized:		
Washers	*Pls.*	11
Zinc Plates	„	53
Apples, Fresh	„	87
Canned Asparagus	„	33
„ Awabi	„	233
Borax	„	504
Butter	„	6
Cheese	„	4
Coffee	„	6
Canned Fruits	„	354
Fruits, Dried	„	21
Glucose	„	154
Grapes, Fresh	„	130
Gum Arabic	„	4
Ink, Printing	„	14
Macaroni, in bulk	*Pls.*	86
Milk, Evaporated	„	20
Newspapers, Old	„	1,260
Oranges, Fresh	„	22
Paints, Unclassed	„	51
Prunes, Dried	„	88
Rope, Hemp	„	6
Shrimps, Dried	„	348
Sugar, Dutch Standard No. 18 and over	„	16
Sugar of Milk	„	84
Sulphur Black	„	108
Twine, Hemp	„	3
Ultramarine	„	4
Chocolate	*Lb.*	884
Bedsteads, Iron	*Pcs.*	16
Lemons, Fresh	„	29,150
Machines, Knitting	„	1
Motor-cars	„	11
Rubber Tires, Pneumatic:		
For Motor-cars	„	92
Rubber Inner Tubes:		
For Motor-cars & Trucks	„	92
Backing Powder	*Doz.*	393
Canned Beans and Peas	„	156
„ Salmon	„	92
„ Goods, Unclassed	„	125
Shoes	*Pairs*	928
Cigarettes	*Mille*	2,120
Paints:		
Enamels	*Galls.*	10
Varnishes	„	100
Unclassed	„	656
Infants' Foods	*G. Units*	4,595
Machinery, & Parts of	„	26,694
Motor-cars, Parts of	„	2,129

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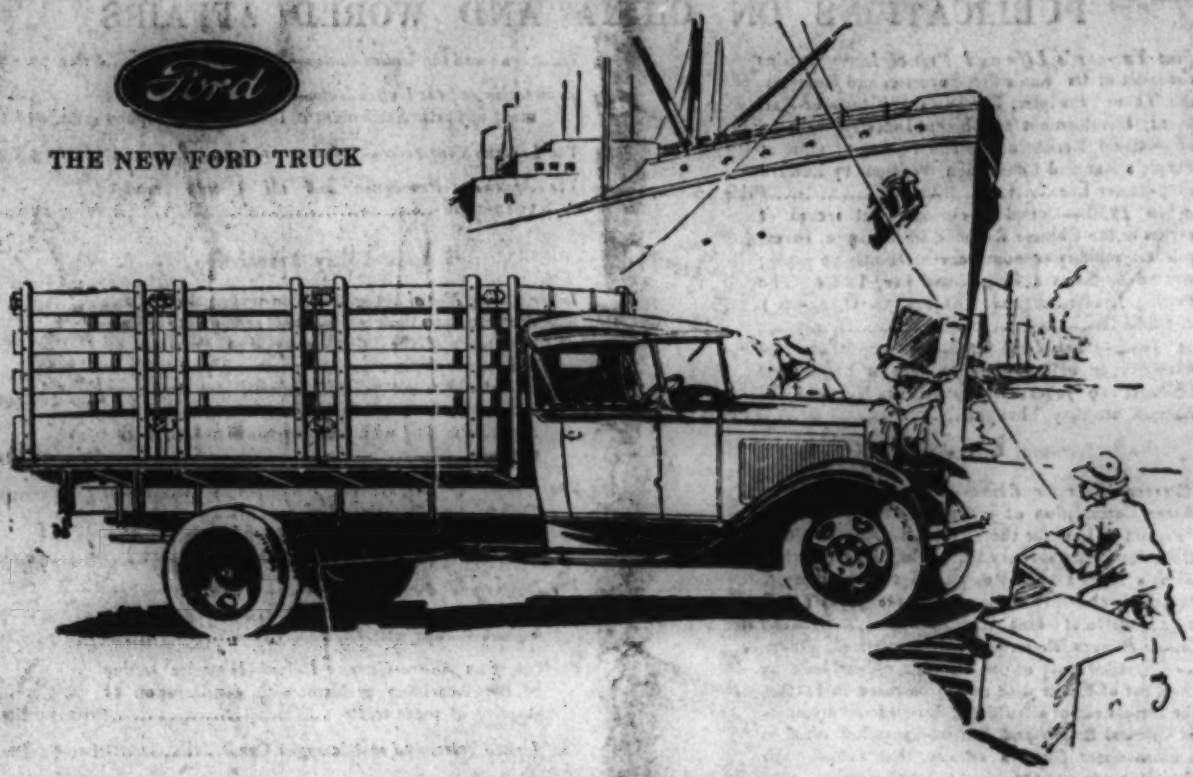

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